

## THE FEDERAL SPOTLIGHT



# CSC Would Still Force Deadwood Retirements

By JOSEPH YOUNG  
Star Staff Writer

The Civil Service Commission favors giving federal employees the right to retire optionally on immediate full annuities after 30 years service at any age.

But there is a big catch. The CSC says that the government in return should have the right to force the retirement of employees with 30 or more years of service "who are over the hill" and not doing an adequate job.

It is extremely unlikely that government employe unions would agree, even in return for the 30-year optional retirement.

Four or five years ago when Congress was considering the bill to allow federal employees to retire optionally on full annuities at age 55 after 30 years service, the CSC asked for authorization to force retirement of employees under the same combination of service and age.

Congress nonetheless approved the bill without provid-

ing the CSC that option and President Johnson signed the bill into law.

But 30-year optional retirement at any age almost certainly would be opposed by the CSC and vetoed by President Nixon should it pass Congress without giving the government forced retirement rights.

A bill that would appear to have a little better chance is the one offered by Rep. Dominick Daniels, D-N.J., that would allow employees to retire optionally on full annuities after a combination of years of service and age that total 80. Coupled with this would be a provision sought by the administration to allow earlier retirement privileges for employees when layoffs occur in order to save the jobs of younger workers.

Whether the administration would agree to the Daniels' formula remains to be seen. The administration may insist that any earlier retirement privileges extended to employees when reduction-in-force

are not involved be accompanied by the right to force retirement under the same combination of age and years of service.

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**NO RETROACTIVE PROMOTIONS**—The controller general has ruled that federal employees are not entitled to retroactive promotions, even though they started their more important duties prior to the date they were officially promoted. The decision is B-171064.

It held that salary for the higher grade starts only when the promotion is made official. The case involved a Federal Aviation Administration employee who was assigned the duties of a higher-grade job the month before he was actually promoted. He sought compensation for the interim period.

But the controller general ruled that federal employees are entitled only to the salaries of the positions to which they are appointed regardless of the duties they actually perform.

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**COST OF LIVING TURN-DOWN**—Civil Service Commission Chairman Robert Hampton has turned down the recommendation of the CSC's national wage policy committee that the annual wage adjustments of government per diem (blue collar) workers be at least equal to the cost of living since their previous pay adjustment.

Hampton noted that in most cases the annual adjustments exceed the amount of the cost-of-living rise.

But he said that the main reason for rejecting the committee's recommendation is that federal blue-collar pay is based on prevailing industry locality rates and that to base it on other factors would be in violation of the basic concept of this system.

The committee is composed of federal personnel management and union officials.

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## CONGRESSIONAL RECORD — SENATE

S. 625. A bill for the relief of Lugarda Losoya Damian-Ruiz; and  
 S. 626. A bill for the relief of Werner Alfred Thanner; to the Committee on the Judiciary.

By Mr. METCALF:

S. 627. A bill to repeal the provisions of the Federal Power Act which exempt from Federal Power Commission regulation the issuance of securities by public utilities subject to certain State regulation; to the Committee on Commerce.

By Mr. EASTLAND:

S. 628. A bill for the relief of Anthony Gloriosso; and  
 S. 629. A bill for the relief of Chen-Pai Miao; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 630. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the future regulation of surface mining operations, and for other purposes; and

S. 631. A bill declaring a public interest in the open beaches of the Nation, providing for the protection of such interest, for the acquisition of easements pertaining to such seaward beaches and for the orderly management and control thereof; to the Committee on Interior and Insular Affairs.

(The remarks of Mr. JACKSON, when he introduced the bills, appear below under the appropriate headings.)

By Mr. JACKSON (for himself, Mr. ALLOTT, Mr. CHURCH, Mr. GRAVEL, Mr. JORDAN of Idaho, Mr. MOSS and Mr. STEVENS):

S. 632. A bill to amend the Water Resources Planning Act (79 Stat. 244) to include provision for a national land use policy by broadening the authority of the Water Resources Council and river basin commissions and by providing financial assistance for statewide land use planning; to the Committee on Interior and Insular Affairs.

(The remarks of Mr. JACKSON when he introduced the bill appear below under the appropriate heading.)

By Mr. ALLOTT (for himself and Mr. DOMINICK):

S. 633. A bill for the relief of James E. Fry, Junior, and Margaret E. Fry; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 634. A bill for the relief of Michael D. Manemann; to the Committee on the Judiciary.

By Mr. ALLOTT (for himself, Mr. BIBLE, Mr. JACKSON, Mr. DOMINICK, Mr. BENNETT, and Mr. MOSS):

S. 635. A bill to amend the Mining and Minerals Policy Act of 1970; to the Committee on Interior and Insular Affairs.

(The remarks of Mr. ALLOTT when he introduced the bill appear below under the appropriate heading.)

By Mr. CASE (for himself and Mr. MONTOYA):

S. 636. A bill to permit immediate retirement of certain Federal employees; to the Committee on Post Office and Civil Service.

(The remarks of Mr. CASE when he introduced the bill appear below under the appropriate heading.)

# **S. 604, S. 605, AND S. 606—INTRODUCTION OF BILLS TO CORRECT THE INEQUITIES AFFECTING RETIRED CIVIL SERVICE EMPLOYEES**

Mr. MONTOYA. Mr. President, I am introducing legislation to provide an increase in the annuities of civil service retirees and their survivors. We are all aware of the many studies done in recent years on the problems facing this country's senior citizens. It is interesting to note that the common conclusion of all

these studies and investigations show that the major problem encountered by the elderly is inadequate income. All of us in this Chamber are aware of the many hours of discussion given in the final days of the 91st Congress to increasing benefits under social security. I feel that it should be pointed out that the majority of civil service annuitants are not covered by social security, but rely solely on their civil service annuities for retirement income. The financial needs of these retirees are no different than those of social security recipients, and it is only fair that similar attention and action be given to increasing civil service annuities.

Of an approximate 997,000 retired Federal employees and survivors, some 276,000 receive annuities of less than \$100 per month, and about 515,000 receive less than \$200 per month. Using a poverty level income of \$3,000 per annum, there are presently 619,000 or more than 60 percent of these former Government workers and survivors living in poverty.

No one needs to be reminded of the ever increasing cost of living, which steadily reduces the purchasing power of everyone, but especially those on fixed retirement incomes, often to the point of putting them in dire financial need. My bill would provide some assistance by granting the greatest percentage increases to those with the present lowest annuities, putting the money where it is most desperately needed. Many of these people retired a number of years ago when salaries were much lower and the retirement computation formula was much less liberal than it is today. The small annuities their years of service produced are not adequate to maintain an acceptable standard of living in today's economy.

S. 605, the second bill I introduce excludes the first \$5,000 of civil service retirement annuity from gross income under Internal Revenue Code of 1954. Under present law, social security pensions and railroad retirement benefits are exempted from income tax payment.

The same treatment should be accorded at least a portion of civil service annuities.

S. 606, the third bill I introduce provides minimum annuities under the civil service retirement law. My bill would guarantee a monthly annuity to a single person of \$100 per month, and \$200 per month for annuitants with a spouse or dependents. If such guarantees are awarded social security beneficiaries, like treatment should be granted civil service annuitants.

The ACTING PRESIDENT pro tempore (Mr. METCALF). The bills will be received and appropriately referred.

The bills, introduced by Mr. MONTOYA, were severally read twice by their titles and referred as follows:

S. 604. A bill to increase annuities payable under the provisions of title 5, United States Code, relating to civil service retirement; to the Committee on Post Office and Civil Service.

S. 605. A bill to amend the Internal Revenue Code of 1954 to provide that the first \$5,000 received as civil service retirement annuity from the United States or any agency thereof shall be excluded from gross income; to the Committee on Finance.

S. 606. A bill to amend the Civil Service Retirement Act, as amended, to provide minimum annuities for employee annuitants and spouse survivor annuitants; to the Committee on Post Office and Civil Service.

# **S. 607 AND S. 608—INTRODUCTION OF BILLS ENTITLED "UTILITY CONSUMERS' COUNSEL AND INFORMATION ACT OF 1971" AND "INTERGOVERNMENTAL TRANSPORTATION CONSUMERS' COUNSEL AND INFORMATION ACT OF 1971," RESPECTIVELY**

Mr. METCALF. Mr. President, I introduce for appropriate reference two bills designed to provide information and counsel which the public and regulators need in their dealings with large public service corporations. They are: The Utility Consumers' Counsel and Information Act of 1971, and the Transportation Consumers' Counsel and Information Act of 1971.

The first bill was the subject of 21 days of hearings before the Senate Subcommittee on Intergovernmental Relations in 1969. Title 1 of the bill, which deals with counsel, includes all the changes made by the subcommittee during its five markup sessions on the bill (S. 607) during the 91st Congress. Title 1, as now introduced, was both improved and approved by the subcommittee.

Title 2 of the bill is identical to the markup version presented to the subcommittee by staff, following the hearings and consultation between majority and minority staff. The addition and deletion of reporting requirements reflect the recommendations made by witnesses. Their testimony, in the seven volumes of hearings on S. 607, is a useful reference for those who wish to familiarize themselves with the legislation, as is the summary of the hearings by the subcommittee chairman (Mr. MUSKIE) which appears in the February 26, 1970, CONGRESSIONAL RECORD, beginning on page S2449.

The second bill I am introducing today, the Transportation Consumers' Counsel and Information Act of 1971, is identical to S. 4588, which I introduced on December 16, 1970. This bill is similar in concept to the utility consumers' bill. The need for the transportation consumers' bill, especially as regards the railroad industry and the Interstate Commerce Commission—or its successor—is elaborated in my December 16 remarks, beginning on page S20373.

Mr. President, these two bills are designed to give meaning to two of the consumer rights enunciated or endorsed by Presidents Kennedy, Johnson, and Nixon. They are the right to be informed and the right to be heard.

At present it is difficult and in some cases impossible for users or regulators of utility and transportation services to obtain detailed basic information about electric, gas, telephone, rail, and airline companies. By basic information I mean: Who owns the company? Who works for it? Where does its money go? What are its policies? Law enforcement, in anti-trust as well as rate and service matters, depend on timely and full answers to such questions.

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The public has as much difficulty being heard as it does becoming informed. Our peculiar regulatory system permits a regulated corporation to pass on to consumers the costly presentations to the commission and the elaborate advertising and public relations efforts that accompany them. But the public is not provided, through either the tax or rate structure, funds for its own presentations, its own experts to counter the claims made by the corporation.

Indeed, a prospective party to a rate case may have to spend hundreds or even thousands of dollars, before obtaining counsel, simply to purchase the transcript of the other side's testimony to the commission. Administrative procedures designed to discourage public participation permeate commissions.

The Interstate Commerce Commission, for example, contracts with a private reporting firm to make one public copy of transcripts. The ICC permits that reporting company to charge more than a dollar a page for transcripts, according to information reported by the ICC staff this month.

The ICC recently announced the great freight rate and rate base investigation of 1971. The ICC says its investigations and hearings will include participation by shippers, farmers, stockmen, merchants, the public generally. I believe, Mr. Chairman, that those of us who want our constituents to have a voice in regulatory matters such as freight rates had better pay attention, very soon, to the procedures used by the commissions for providing necessary information and public counsel.

Friday night we heard the President discuss governmental power. The actual power structure among regulatory commissions and the industries they were created to regulate is quite unlike the examples used by the President.

Regulatory responsibility for energy and transportation corporations is not centralized in Washington. It is diffused among more than 50 commissions, most of them at the State level. Most of these commissions are dominated by the industry groups they are supposed to regulate. Reorganization and shuffling of responsibilities between Federal and State and local commissions will not provide power for the people in their dealings with energy and transportation corporations which have government-like characteristics, power, and influence.

The public needs entry into the regulatory system, through easy access to full information and its own independent counsel. That is the way to achieve the adversary proceedings from which fair decisions ensue. That, I submit, is a revolutionary concept, in the finest American sense. That is the goal of these two bills which I today introduce.

Mr. President, I ask unanimous consent to have the text of the bills printed at this point in the Record.

The PRESIDING OFFICER (Mr. CHILES). The bills will be received and appropriately referred; and, without objection, the bills will be printed in the Record.

The bills, introduced by Mr. METCALF, were received, read twice by their titles,

and ordered to be printed in the Record, as follows:

S. 607. A bill to establish an independent agency to be known as the U.S. Office of Utility Consumers' Counsel to represent the consumers of the Nation before Federal and State regulatory agencies with respect to matters pertaining to certain electric, gas, telephone, and telegraph utilities; to provide grants and other Federal assistance to State and local governments for the establishment and operation of utility consumers' councils; to improve methods for obtaining and disseminating information with respect to the operations of utility companies of interest to the Federal Government and other consumers; and for other purposes; to the Committee on Government Operations:

S. 607

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Utility Consumers' Counsel and Information Act of 1971.*

#### DEFINITIONS

Sec. 2. As used in this Act—

(a) The term "Federal agency" means any department, agency, or instrumentality, including any wholly owned Government corporation, of the executive branch of Government.

(b) The term "State" means any State of the United States, any territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or political subdivision, department, agency, or instrumentality of any of them, but does not include the Panama Canal Zone.

(c) The term "utility" means:

(1) any company which owns or operates facilities used for the generation, transmission or distribution of electric energy for sale, other than sale to tenants or the employees of the company operating such facilities for their own use and not for resale;

(2) any company which owns or operates facilities used in the production, generation or distributions of natural or manufactured gas for heat, light and power (other than distribution only in enclosed portable containers or distribution to tenants or employers of the company operating such facilities for their own use and not for resale); and

(3) any company which is a common carrier as defined in the Communications Act of 1934, as amended.

(d) The term "company" means a corporation, a partnership, an association, a joint-stock company, a business trust or an organized group of persons, whether incorporated or not; or any receiver, trustee or other liquidating agent of any of the foregoing in his capacity as such; having an annual gross operating revenue in excess of \$1 million; but not including any cooperatively, federally, municipally, or other publicly owned person, company or organization.

(e) The term "utility service" means any service provided for the public by a utility.

(f) The term "interests of consumers of utility services" means any matter relating to rates, charges, methods of service, adequacy of service and safety measures which directly affect the consumer of utility services.

#### TITLE I—UTILITY CONSUMERS' COUNSEL ESTABLISHMENT OF OFFICE

Sec. 101. (a) There is hereby established within the executive branch of the Government an independent agency to be known as the United States Office of Utility Consumers' Counsel (referred to hereinafter as the "Office"). The Office shall be headed by a Consumers' Counsel (referred to hereinafter as the "Counsel"), who shall be appointed for a term of five years by the President, by and with the advice and consent of the Senate, and who shall receive com-

pensation at the rate provided for level 2 of the Executive Schedule.

(b) The Counsel may—

(1) promulgate such rules and regulations as may be required to carry out the functions of the Office; and

(2) delegate to any other officer or employee of the Office authority for the performance of any duty imposed, or the exercise of any power conferred, upon the Counsel by this Act, and any reference herein to the Counsel shall include his duly authorized delegate or delegates.

#### PERSONNEL AND POWERS OF THE OFFICE

Sec. 102. (a) The Counsel shall, subject to civil service laws and the Hatch Act, appoint and fix the compensation of such personnel as he determines to be required for the performance of the functions of the Office.

(b) In the performance of the functions of the Office, the Counsel is authorized—

(1) to obtain the service of experts and consultants in accordance with section 3109 of title 5 of the United States Code;

(2) to appoint such advisory committees as the Counsel may determine to be necessary or desirable for the effective performance of the functions of the Office;

(3) to designate representatives to serve on such committees as the Counsel may determine to be necessary or desirable to maintain effective liaison with Federal agencies and with departments, agencies, and instrumentalities of the States which are engaged in activities related to the functions of the Office; and

(4) to use the services, personnel, and facilities of Federal and State agencies, with their consent, with or without reimbursement therefor as determined by them.

(c) Upon request made by the Counsel, each Federal agency is authorized and directed—

(1) to make its services, personnel, and facilities available to the greatest practicable extent to the Office in the performance of its functions; and

(2) subject to provisions of law and regulations relating to the classification of information in the interest of national defense, to furnish to the Office such information, suggestions, estimates, and statistics as the Counsel may determine to be necessary or desirable for the performance of the functions of the Office.

#### REPRESENTATION OF PUBLIC INTEREST

Sec. 103. (a) Notwithstanding any other provision of law, the Counsel is authorized to petition for, initiate, appear, or intervene in, any investigation, complaint, action, appeal, or other proceeding, except a criminal proceeding, before any Federal, State, or local agency, Federal or State court, in accordance with the rules of practice and procedure of such agency or court, where in the opinion of the Counsel, there is a matter or controversy affecting substantially the interests of consumers of utility services within the United States: *Provided*, That such action by Counsel before any State or local agency or State court shall be authorized only when:

(1) it is requested by the Governor of a State or any official designated by him for such purpose; or

(2) it is requested by an agency or official duly authorized by a State to represent the interests of utility consumers before any State or local agency or court; or

(3) it is requested by a local government serving a population of fifty thousand persons or more, or a combination of local governments covering ten percent of the population of the service area of a utility within any State; or

(4) it is requested by a duly certified petition signed by the consumers of services of a utility within any State as follows: if the total of such consumers equals one thousand or less, petition must be signed by 20

don't need to see how the devastation of Laos and Cambodia is going to affect the war; we believe that life is sacred everywhere. Everyone bears in his body the image of his membership in the human family and the image of the living God. How many Vietnamese is one American worth? One, five, forty, a thousand?

The Vietnam war is a sin against the human family; its dehumanization has left its scar on us all that will remain for years. The brutality of Indochina is reflected by the callousness in the streets of America. When life is cheap anywhere, it is cheap everywhere.

If this parish remains silent in the face of all that continues to brutalize us, what is there, then, to validate our Christian way of life?

When the great author, Albert Camus, was asked to address a Roman Catholic order, he told them bluntly that they were not practicing what they preached. Listen to him!

"What the world expects of Christians is that Christians should speak out, loud and clear, and that they should voice their condemnation in such a way that never a doubt, never the slightest doubt, could rise in the heart of the simplest man . . . that they should get away from abstraction and confront the blood-stained face history has taken on today."

3—What can America do if it is not to lose its soul?

First, America must repent. I think Sen. Fulbright was wrong when he said the great society of America has become a sick society. Eric Fromm says that this is another way of excusing ourselves since sickness is something that happens to one involuntarily and for which one cannot be held accountable. Fromm asserts that American society is not sick but immoral. Our sickness is really sin. I believe he is right.

What is called for isn't guilt but repentance. So long as we try to justify the horrors perpetrated in Indochina, so long as we continue to talk about saving face and keeping our honor, so long as we figure the cost of the war is a little too much and perhaps it was a mistake to get in so deep—the soul of the nation will continue to be eroded and within the grip of death.

There is one way left that leads to new life—repentance. The word of God judges this nation; and it can bring healing, too. What a rebirth could come to the greatest, most powerful nation in the history of the world if she said: "I was wrong! God have mercy!" The death of pride would be the rebirth of integrity.

Second, we should protect the lives of our soldiers but we must come home immediately. Let the President set a clear timetable of withdrawal. We will leave Southeast Asia and if the Thieu-Ky regime can't stand on its own, then let it fail. Integrity won't allow us to keep the Thieu-Ky government in power through American guns and dollars.

We know that government is corrupt and ruthlessly suppresses political dissent. When the political oppression of South Vietnam was mentioned recently, the response of one of our ambassadors was, "We do not condone it."

Billions of American dollars put that government in power and sustain it. If we came home the Vietnamese themselves might find a way to bring peace to that tragic land.

Third, we must pay the price for peace. Everyone wants peace—but so seldom have we been willing to use the great reservoirs of this nation for healing. "And nation shall not lift up sword against nation, neither shall they learn war any more." To have that vision and pay the cost of its fulfillment—what a great moment that would be in the history of civilization.

4—The church should mobilize its resources to end the war.

In a recent "Peanuts" cartoon, the setting is a baseball game. Charley Brown is about to pitch when his teammate, Lucy, suggests that he aim to hit the batter. Charlie reacts violently: "It wouldn't be right . . ."

There follows a long discussion with all Charlie's teammates joining in. Everything under the sun comes into the debate: "What about the children's crusade? Was that moral? What about those awful movie ads you see nowadays? Define morality . . ." Finally, in despair, Charlie Brown says, "We never win any ball games, but we sure have some interesting discussions!"

We've talked enough. I call upon this great parish of All Saints to take a step larger than we ever thought we would. I ask for a massive mobilization of the parish by establishing a "Peace Operation Center."

The protests of young radicals have made their mark but fallen short of any major reformation of the war system. My hope is to radicalize the Establishment—myself included—and take middle America and give its goodwill and desire to build a world of peace clearer focus and more effective power.

America is searching its conscience; the church is struggling for its soul, the integrity of its message and the courage of its convictions. We must not back away from this challenge.

This parish is small against the magnitude of the problem; yet I believe profoundly in the power of just a few who have caught the vision of a peaceful world.

I am confident that there are thousands of in Pasadena and Los Angeles today willing to contribute their lives to the healing of the world. One of the high marks of the '60s was the response given to the Peace Corps.

The late President Kennedy proposed a corps organized to bring light and knowledge to the underdeveloped nations of the world. Hardly had the announcement of the Peace Corps come from the lips of President Kennedy than there were four times the number of volunteers as could be sent.

Find all the faults you wish with the Peace Corps; but it still means this: Americans have a hunger to do something with hope and heart and love in it, something more than animal. We shall seek to provide the channel.

## ANNUITY SYSTEM CHANGE

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 31, 1971

Mr. DULSKI. Mr. Speaker, the Civil Service Commission has proposed legislation to remove an inequity with respect to cost-of-living adjustments in civil service retirement annuities.

Accompanying the request from Chairman Hampton of the Commission was a draft of proposed legislation. I am introducing this legislation today, with the ranking minority member of our committee, the gentleman from Pennsylvania (Mr. CORBETT), as well as the chairman, the gentleman from California (Mr. WALDIE), and the ranking minority member, the gentleman from Virginia (Mr. SCOTT), of the Retirement Subcommittee as cosponsors.

The legislation proposes to alleviate the administrative bottleneck on civil service retirements which occurs each time the cost-of-living procedure is invoked.

Whereas normally there are some 5,000

civil servants who apply for retirement each month, I am told that when a cost-of-living factor occurs the number of retirements may increase to as many as 25,000 at one time as employees seek to benefit from the cost-of-living annuity increase.

A related example is the situation that faces the Board of Education for the District of Columbia on May 31, when a large number of teachers are taking their retirement under a procedure similar to that in the Federal Retirement Act.

The retiring teachers will be going off the regular payroll 2 weeks before the end of the school year, requiring the school system to make arrangements for rehiring these same teachers as substitutes in order for them to complete the school year with their classes.

The Civil Service Commission's proposal provides that a person who retires after the effective date of the cost-of-living increase in annuities shall receive no less an annuity than if he had retired prior to the cost-of-living change.

For the information of the Members, I am including with my remarks the text of the letter to the Speaker from Chairman Hampton requesting the legislation:

MARCH 25, 1971.

HON. CARL ALBERT,

Speaker of the House of Representatives.

DEAR MR. SPEAKER: The Commission submits for the consideration of the Congress, and recommends favorable action on, the attached legislative proposal which provides that the immediate (not deferred) Civil Service Retirement annuity of an employee or Member of Congress retiring after the effective date of a cost-of-living annuity increase shall not be less than his annuity would have been if he had retired and had been eligible for annuity on the effective date. Similarly, the proposal provides that the annuity of an employee's or Member's widow(er) commencing after the effective date of a cost-of-living annuity increase shall not be less than it would have been if it had commenced on the effective date.

Whether an employee's annuity will be greater computed on the basis of (1) service and salary up to the effective date of the most recent cost-of-living increase, plus that percentage increase or (2) all service and salary up to the date of actual separation, without a cost-of-living increase, depends on factors which vary with the individual. Assuming a normal pattern of past and future salary increases, and a 5 percent cost-of-living increase, an employee would need 3-10 additional months' service, depending on his total years of service, for his annuity without the cost-of-living increase to equal the amount he could get if he had retired on the effective date of the cost-of-living increase. Under the proposal, an employee would in all cases receive the larger annuity.

The present cost-of-living adjustment provision, found in 5 U.S.C. 8340, provides that an employee must retire and his annuity must commence on or before the effective date of a cost-of-living annuity increase in order to have it applied in the computation of his annuity. The reasons for the proposed change are:

(1) The present provision produces the anomaly of an employee who retires soon after the effective date of an increase receiving less annuity than an employee, with the same service beginning date and high three-year average salary, who retires on or before the effective date, even though the employee who retires after the effective date has more service. A similar anomaly exists



March 31, 1977

in computing a survivor's annuity because the survivor of an employee who dies on or before the effective date of a cost-of-living increase receives the increase, but the survivor of an employee who dies after the effective date does not receive it.

(2) We are concerned about the way the large number of retirements triggered by cost-of-living adjustments affects the administration of the Civil Service Retirement System. The present cost-of-living adjustment provision "bunches" retirements immediately before the effective date of every cost-of-living annuity increase by accelerating the retirements of employees who had been planning to leave within six months or so after that date. The last such increase, effective August 1, 1970, for example, produced about 19,000 retirements in addition to the 5,000 or less that occur in a normal month. Despite the Commission's plans to cope with such a peak load, work is disrupted and annuity payments are seriously delayed when so many retirements that would otherwise have been evenly spaced over a period of several months occur at the same time.

(3) Agencies throughout the Government are also adversely affected because an inordinate number of employees decide to retire immediately before the cost-of-living annuity increase. Many of these people, if they are willing, must be reemployed as annuitants to complete the projects on which they were working.

Enactment of the draft bill would (1) eliminate the anomaly between annuities that commence on or just before the effective date of a cost-of-living increase and those that commence shortly after that date; (2) moderate the peaking of retirements immediately before cost-of-living increases become effective, with an estimated savings of \$250,000 in administrative expenses now charged against the Civil Service Retirement and Disability Fund for processing the peak workload that accompanies each cost-of-living adjustment; and, (3) reduce the disruption in the work of agencies throughout the Government caused by many employees suddenly retiring at the same time, with many leaving work projects incomplete.

To the extent that employees delayed retirement by a few months, they would (1) pay contributions to the Fund for a longer period, and (2) not receive any annuity for those months—a combination necessarily resulting in more money in the Fund. On the other hand, to the extent that employees who would have retired after the effective date of the cost-of-living increase anyway receive a higher annuity than they would have received if they had retired on the effective date, more money would be paid out of the Fund.

The additional annuity benefits which would be provided by the draft bill for each cost-of-living annuity increase authorized on or after its enactment would increase the unfunded liability of the Civil Service Retirement and Disability Fund. Assuming, for example, that the draft bill is enacted and that then a 5 percent cost-of-living annuity increase is effective June 1, 1971, the unfunded liability of the Fund would be increased by \$9.2 million. The annual interest on this \$9.2 million would be \$300,000.

Under 5 U.S.C. 8348(g), the Secretary of the Treasury, before closing the accounts each fiscal year, would have to credit to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated, the following percentages of all interest on the unfunded liability existing at the start of each fiscal year: 10 percent for 1971, 20 percent for 1972; 30 percent for 1973; 40 percent for 1974; 50 percent for 1975; 60 percent for 1976; 70 percent for 1977; 80 percent for 1978; 90 percent for 1979; and 100 percent for

1980 and for each fiscal year thereafter. No payment would be required for fiscal year 1971, since the liability would be incurred after the start of that year. The Secretary of the Treasury would, at the end of fiscal year 1972, have to pay into the Fund 20 percent of the \$300,000 annual interest resulting from the assumed June 1, 1971 cost-of-living increase, plus, at the end of each subsequent fiscal year through 1980, the above-mentioned graduated percentages of the annual interest, so that the full \$300,000 annual interest amount would be paid at the end of fiscal year 1980 and each fiscal year thereafter.

Each additional cost-of-living annuity increase authorized subsequent to fiscal year 1971 would have a cumulative effect on the retirement Fund's unfunded liability and the annual interest thereon. If, for example, there is one cost-of-living annuity increase of 5 percent in each fiscal year 1971 through 1980, the unfunded liability would be increased by a little over \$92 million, and the annual cumulative interest payment due the Fund from the Secretary of the Treasury at the end of fiscal year 1981 would be a little over \$3 million.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this draft bill to Congress.

A similar letter is being sent to the President of the Senate.

By direction of the Commission:

Sincerely yours,

ROBERT HAMPTON,  
Chairman.

#### AMENDING THE MILITARY SELECTIVE SERVICE ACT OF 1967

SPEECH OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 6531) to amend the Military Selective Service Act of 1967; to increase military pay; to authorize military active duty strengths for fiscal year 1972; and for other purposes.

Mr. DONOHUE. Mr. Chairman, I intend to support and I earnestly hope a substantial majority here will also support, with improving amendments, the basic provisions of this bill, H.R. 6531, designed, among other things, to extend the Selective Service Act for a limited period, increase military personnel pay and allowances, and authorize military active duty strengths for fiscal 1972.

Our great legislative task here, in my opinion, is to insure the fairest possible spreading of the burdens of induction among all the young men in this country and to make military pay realistically competitive, at all levels, with pay rates in the civilian economy. This is our fundamental duty, today, pending the reestablishment of our traditional all-volunteer military service system.

I think that this bill, with strengthening amendments, such as the reduction of its proposed extension to 1 year instead of 2, could and should provide a far more equitable share of induction risk and economic justice than the current law projects. I very deeply feel, as a sponsor of legislation to establish an all-

volunteer military force that adequate evidence has been developed to reasonably suggest that the very substantial increases in pay, quarters and subsistence allowances contained in this bill will accelerate the number of volunteer enlistments sufficiently to warrant the adoption of a 1-year extension of this present act; if not the Congress is always here and ready to overcome any deficiencies within the year, that might remain.

Mr. Chairman, facing up to the present facts of the draft situation, as we must, there appears to be no question at all that it would be most impractical, if not impossible, to summarily repeal the present Selective Service System however much we might like to do so. On this score, then, the most reasonable alternative appears to be the extension, in time, of the present law for just 1 year. The proposed pay and other allowance increases in this bill before us, are far greater than those recommended by the administration, and they certainly project a long overdue major gesture of economic comparability and security to military personnel and their families that will hopefully move us forward at a much faster pace toward the attainment of an all volunteer military system.

With strengthening amendments, together with the President's intention to exert every effort to remove the inequities in the area of student deferments and more representatively adjust the composition and operation of local draft boards this pending measure, while not, of course, perfect in every point or entirely satisfactory to every individual, will, I believe, go a long way, at an opportune time, toward vastly improving our present draft system from every moral, economic and national security standpoint.

Because such improvement was never in all our history more critically or imperatively needed I believe it should be accepted by the House, now, while we continue to work toward the establishment of a traditional all volunteer military force as quickly as it can possibly be achieved.

MOUNT CARMEL MEDICAL CENTER  
AT PITTSBURG, KANS.

HON. JOE SKUBITZ

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 31, 1971

Mr. SKUBITZ. Mr. Speaker, on last Sunday, March 29, more than 5,000 Kansas people gathered in the relatively small city of Pittsburg, Kans., to witness and participate in the dedication of a new hospital and health facility, the Mount Carmel Medical Center.

It was a proud moment for me, and even more momentous for the dedicated Sisters of the St. Joseph Order whose unselfish devotion and perseverance helped make this sorely needed facility a reality.

It was a good deal more than a half-century ago when a few of the good sisters came to Pittsburg, a small coal mining town, which was desperately in need

THE WASHINGTON POST

DATE 27 Apr 71

## The Federal Diary GAO Finds Its Piano Snatched

By  
Mike  
Causey



The General Accounting Office, Congress' watchdog on fiscal shenanigans and mismanagement in government, is the first to admit that nobody's perfect.

Recently, the agency that has exposed billions of dollars lost by federal boondoggling and goofs, learned, to its chagrin, that the office piano had been stolen.

Long a fixture outside GAO's seventh-floor auditorium, the off-key upright (weighing several hundred pounds), just disappeared one day.

Rather than call in the FBI, the agency decided this particular job was better handled in-house. It dispatched a team from the Office of Administrative Services to find the missing piano.

It turned up, as often happens in government, in the basement. Investigators surmise that the instrument was borrowed by a music-loving guard. They figure he preferred the privacy of the basement for his nocturnal practice sessions.

The piano has been returned, almost, to its rightful place. Gun-shy officials have decided to keep it in a locked room near the auditorium. It will be available, to authorized players only, for renditions of "Pomp and Circumstance" and other appropriate march tunes when next the auditing sleuths assemble for an official program.

**Health Plan Complaint:** A federal employee makes this interesting observation about his health plan in a letter to Rep. Jerome J. Waldie (D-Calif.). Waldie has been making waves probing the billion-dollar-a-year government health benefits program that covers 8 million people. Waldie thinks Uncle Sam could muscle better rates and benefits out of the 40 carriers.

The employee observes that the January premium increase was not justified in terms of the new benefit it provided. With tongue in cheek, he points out:

"... I was quite impressed when I learned that for the increase of \$114.92 a year in my premium, I would now be entitled to rabies shots."

**Cost-Of-Living Raises:** Meanwhile, Waldie's Retirement Insurance subcommittee will hold hearings May 3 on bills to guarantee higher annuities to retirees.

The parent bill, by Rep. Thaddeus J. Dulski (D-N.Y.) is backed by the administration. It is designed to eliminate the rush to retirement now caused by cost-of-living raises. Now, employees who want to cash in on a 4.5 per cent annuity bonus must be retired by May 31. Those leaving after June 1 won't get it. His plan would permit workers to retire after any annuity bonus date without losing a cost-of-living raise.

The administration likes the idea because it would end the deadline stampede. As many as 30,000 are expected to retire next month to get the bonus. If Dulski's bill goes through, this would be the last such rush.

**Savings Bond Drives:** Several employees report that the pressure is on again to buy savings bonds to give their agency a good standing in the annual chart race. Although top officials always disavow arm-twisting methods, some supervisors down the line feel it is necessary to get a good participation rating.

**American Federation of Government Employees** has won exclusive national recognition for 1,800 Office of Economic Opportunity workers, and 244 at the Federal Railroad Administration.

Meanwhile, all employee unions are pushing for exclusive recognition before July 1. After that date, agencies may terminate dues-checkoff agreements between employees and unions unless the union has exclusive bargaining authority, which must be won in elections.

**Consumer News:** The Office of Consumer Affairs is now publishing a monthly newsletter. It will cover everything from product safety to legislation of interest to consumers. It costs a dollar a year and copies may be ordered from the Government Printing Office, Zip Code 20402.

**Allan J. Rappoport**, a career man, has moved up to be director of management analysis at Customs. Before joining the bureau he worked for Internal Revenue Service.

THE WASHINGTON POST

DATE

4 MAY 71

**The Federal Diary**

THE WASHINGTON POST Tuesday, May 4, 1971 B12

# Agencies Report Normal Attendance

**By  
Mike  
Causey**

Government head-counters say that yesterday's antiwar-inspired traffic jams failed to shut down the bureaucracy as downtown agencies reported "overwhelmingly normal attendance." A few offices said their absentee rate was actually lower than usual for a Monday in May.

A spotcheck of federal offices by the Civil Service Commission produced no attendance figures. But Chairman Robert E. Hampton said the show-up rate was "better than normal" for the metropolitan area's 310,000 civil servants.

A similar survey by this column put the absentee rate at about 7 to 10 per cent. Normally about one in 10 civil servants is out on vacation or sick leave this time of year.

Agencies queried by this column said that parking lots and cafeterias were jammed as usual, although many reported employees arriving 15 to 30 minutes late. But in some offices the pattern was reversed, as employees left home early on their own and arrived anywhere from five minutes to an hour ahead of normal starting times.

An Agriculture official said that many Virginia commuters told him they actually got to work earlier today. They credited the unusual Monday exercise with leaving home early, and fast traffic handling on the bridges by police and troops.

Key "contact" men in nearly all agencies got on the telephone Sunday afternoon and evening, alerting special personnel to come in early. They were to man "decision desks" and to make sure that normal activities continued in the event the bridges were blocked.

Between 4,000 and 5,000 such employees — personnel officers, administrative officials, public information teams and security men — reported in by 5 a.m. Some were called in Sunday night, and slept at the office.

Postal officials said attendance appeared to be normal among the 12,000 area workers, and that deliveries were running "about normal" despite traffic tieups in the Dupont Circle and Georgetown areas. U.S. Postal Service headquarters said there was a regular turnout of its 2,800 employees.

In the report to the Civil Service Commission, General Services Administration said about 95 per cent of its 10,000 employees were on the job by early morning. That includes regular office staff, guards and maintenance crews.

Navy, with about 40,000 ci-

vilians in the metropolitan area, said it had 96 per cent on the job. Most Navy activities are concentrated in the suburbs. An official said that employees "apparently took it on themselves to make a special effort to get in, and they did."

Interior said 580 of its 5,165 employees were absent either on sick leave or normal vacation time.

Health, Education and Welfare did not make a headcount but officials estimated that the turnout was normal. In some agencies, such as Office of Education and Office of Economic Opportunity, the absentee rate was higher than normal but nobody would say how much higher.

A Commerce aide said the absenteeism was "slightly higher" than for this time of year. The public information office had only one man out, and he called in on annual leave saying he had a home repair problem.

The Justice Department said only about 5 per cent of its workforce—including the FBI — was out yesterday. An official said the normal absentee rate is 9 to 10 per cent for the department's 13,000 area employees.

A spokesman at the Central Intelligence Agency said turnout was normal among its workers at Langley, Va.

Most agency officials said there is no such thing as a "normal" daily absentee rate, because it rises and falls with flu outbreaks, vacation time and holiday periods. But the typical federal work-year is 260 days. Out of that year, the average employee takes about 20 days of vacation, and the normal sick leave usage is about six days. Using those figures, a daily normal absentee rate of 10 per cent could be expected.

If yesterday's official statistics are correct, it appears that the turnout—for a variety of reasons—was better than usual.

**Retirement Break:** The House retirement subcommittee has cleared an administration-backed bill that would wipe out the deadline for people who rush into retirement to qualify for cost-of-living bonuses. The deadline for retirement to get a 4.5 per cent bonus now is May 31.

But the bill, scheduled for House action May 17, would eliminate the rush. The measure by Rep. Thaddeus J. Dulski (D-N.Y.) would guarantee workers who stayed past any cost-of-living deadline the minimum increase. The Senate is also set to move quickly, and action in both houses could come before the current May 31 deadline.

May 6, 1971

# House of Representatives

## Chamber Action

**Bills Introduced:** 45 public bills, H.R. 8140-8183 and 8190; six private bills, H.R. 8184-8189; and 13 resolutions, H.J. Res. 616-622, H. Con. Res. 292-294, and H. Res. 431-433, were introduced. Pages H 3651-H 3653

**Bills Reported:** Reports were filed as follows:

Report entitled "Improved Manpower Management in the Federal Government" (H. Rept. 92-184);

H.R. 1892, a private bill (H. Rept. 92-185);

H.R. 7616, to amend section 715 of title 32, United States Code, to authorize the application of local law in determining the effect of contributory negligence on claims involving members of the National Guard (H. Rept. 92-186); and

H.R. 8190, second supplemental appropriations for fiscal year 1971 (H. Rept. 92-187). Page H 3651

**Late Report:** Committee on Appropriations received permission to file a report by midnight tonight on the second supplemental appropriation bill for fiscal year 1971. Page H 3569

**Investigative Authority:** By a record vote of 156 yeas to 177 nays, the House rejected H. Res. 412, to authorize additional investigative authority to the Committee on Education and Labor. Pages H 3571-H 3577

**Legislative Program:** Majority leader announced the program for the week beginning May 10. Agreed to adjourn from Thursday to Monday. Page H 3577

**Calendar Wednesday:** Agreed to dispense with Calendar Wednesday business of May 12. Page H 3577

**Referral:** One Senate-passed measure was referred to the appropriate House committee. Page H 3651

**Quorum Calls—Record Votes:** One quorum call and one record vote developed during the proceedings of the House today and appear on pages H3571-H3572 and H3576.

**Program for Monday:** Met at noon and adjourned at 3:30 p.m. until noon on Monday, May 10, District Day, when the House will consider the following bills from the Committee on the District of Columbia:

1. H.R. 2596, Metropolitan Police Band expansion;
2. H.R. 6638, school fare subsidy;
3. H.R. 5638, penalty for assaulting firemen;
4. H.R. 2594, minor's share in decedent's estate; and
5. H.R. 7931, administration of estates.

## Committee Meetings

### SUGAR ACT EXTENSION

*Committee on Agriculture:* Continued hearings on extension of the Sugar Act. Testimony was heard from Julius L. Katz, Deputy Assistant Secretary for Inter-

national Resources and Food Policy, Department of State; Clarence D. Palmby, Assistant Secretary, Department of Agriculture; and John E. Chapoton, Tax Legislative Counsel, Office of Management and Budget.

### PEANUT MARKETING QUOTA PROVISIONS

*Committee on Agriculture:* Subcommittee on Oil Seeds and Rice held a hearing on (and approved for full committee action) amended, H.R. 6217, to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938. Testimony was heard from department and public witnesses.

### SECOND SUPPLEMENTAL APPROPRIATION

*Committee on Appropriations:* Met in executive session and ordered reported favorably to the House H.R. 8190, the second supplemental appropriation bill for fiscal year 1971.

### MILITARY PROCUREMENT AUTHORIZATION

*Committee on Armed Services:* Continued executive hearings on H.R. 3818, the military procurement authorization for fiscal year 1972, with testimony from Representative Fisher.

Hearings continue tomorrow.

### RESEARCH AND DEVELOPMENT

*Committee on Armed Services:* Subcommittee No. 1 continued executive hearings on title II, research and development, of H.R. 3818. Testimony was heard from Department of the Air Force witnesses.

### REAL ESTATE PROJECTS

*Committee on Armed Services:* Subcommittee on Real Estate continued hearings on pending real estate projects with further testimony from Department of the Navy witnesses.

Hearings continue tomorrow.

### OEO EXTENSION

*Committee on Education and Labor:* Continued hearings on H.R. 40, authorizing the appropriation of funds to carry on programs under the Economic Opportunity Act of 1964 for 5 additional years. Testimony was heard from public witnesses.

Hearings continue Monday, May 10.

### LABOR-MANAGEMENT RELATIONS ACT

*Committee on Education and Labor:* Special Subcommittee on Labor held a hearing on H.R. 7152, to amend the Labor-Management Relations Act, 1947, to expedite its processes and strengthen its remedies. Witnesses heard were Dean Theodore J. St. Antoine, University of Michigan Law School, and Prof. Howard Lesnick,



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CONGRESSIONAL RECORD — DAILY DIGEST

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University of Pennsylvania Law School.

Hearings continue Wednesday, May 12.

FOREIGN AID

*Committee on Foreign Affairs:* Continued hearings on the new foreign aid legislation and heard testimony from Robert H. Nooter, Assistant AID Administrator for Vietnam.

Hearings continue Tuesday, May 11.

CONSUMER PROTECTION

*Committee on Government Operations:* Subcommittee on Legislation and Military Operations continued hearings on H.R. 16 and H.R. 3809, to reorganize and strengthen consumer protection activities in the Federal Government. Testimony was heard from FTC Chairman Kirkpatrick, department and public witnesses.

Hearings were adjourned subject to call of the Chair.

ALASKA NATIVES LAND CLAIMS

*Committee on Interior and Insular Affairs:* Subcommittee on Indian Affairs continued hearings on H.R. 3100 and related bills, to provide for the settlement of certain land claims of Alaska natives. Testimony was heard from Donald Wright, president, Alaska Federation of Natives.

Hearings continue tomorrow.

POWER RELIABILITY AND PLANT SITING

*Committee on Interstate and Foreign Commerce:* Subcommittee on Communications and Power continued hearings on H.R. 5277 and similar bills, to assure protection of environmental values while facilitating construction of needed electric power supply facilities. Testimony was heard from Representative Moss; FPC Chairman Nassikas and other commissioners.

Hearings continue Monday, May 10.

HEALTH MANPOWER

*Committee on Interstate and Foreign Commerce:* Subcommittee on Public Health and Environment met in executive session for continued consideration of the health manpower bills.

Subcommittee to continue Monday, May 10.

PRIVATE IMMIGRATION BILLS

*Committee on the Judiciary:* Subcommittee No. 1 met in executive session and acted on private immigration bills.

FEDERAL JUDICIARY APPOINTMENTS

*Committee on the Judiciary:* Subcommittee No. 5 concluded a hearing on H.R. 6953, to create the office of Administrative Assistant to the Chief Justice of the United States; and H.R. 7377, to provide for the appoint-

ment of justices and judges to the offices of Administrative Assistant to the Chief Justice; Director, Administrative Office of the United States Courts; and Director, Federal Judicial Center. Testimony was heard from Mr. Justice Potter Stewart, Associate Justice of the Supreme Court of the United States; Rowland F. Kirks, Director, Administrative Office of the United States Courts; and Mr. Justice Tom C. Clark, Associate Justice Retired, Supreme Court of the United States.

LOANS TO FISHING VESSEL OWNERS

*Committee on Merchant Marine and Fisheries:* Subcommittee on Fisheries and Wildlife Conservation concluded hearings on H.R. 153, to amend the Fish and Wildlife Act of 1956 to authorize the Secretary of Commerce to make loans to associations of fishing vessel owners and operators organized to provide insurance against the damage or loss of fishing vessels or the injury or death of fishing crews. Testimony was heard from NOAA Assistant Administrator Pollock, department and public witnesses.

CIVIL SERVICE RETIREMENT ANNUITIES

*Committee on Post Office and Civil Service:* Met in executive session and ordered reported favorably to the House H.R. 7964 amended, to liberalize eligibility for cost-of-living increases in civil service retirement annuities.

VEHICLE WIDTH LIMITATIONS

*Committee on Public Works:* Met in executive session and ordered reported favorably to the House H.R. 4354 amended, to amend section 127 of title 23 of the United States Code relating to vehicle width limitations on the Interstate System, in order to increase such limitations for motor buses.

The committee also approved a committee resolution to authorize and direct that a building project survey report be made on the establishment of a convention center-sports arena in the District of Columbia.

SOCIAL SECURITY AMENDMENTS

*Committee on Ways and Means:* Met in executive session for continued consideration of H.R. 1, Social Security Amendments of 1971.

Committee to continue Tuesday, May 11.

ANNOUNCEMENT—COMPUTER MANAGEMENT HEARINGS

Chairman Chet Holifield of the Committee on Government Operations announced today that the Subcommittee on Government Activities will begin hearings on computer management and use in the Federal Government at 10 a.m., Wednesday, May 19, in room 2247, Rayburn House Office Building.

## The Federal Spotlight

# Quick Retirement

# Advised for Annuity 'Bonus'

By JOSEPH YOUNG  
Star Staff Writer

Federal employees who want to take advantage of the 4.5 percent annuity increase that goes into effect June 1 are advised by Civil Service Commission officials to retire by May 31.

Legislation to allow government workers to stay on the job past May 31 and still collect the retirement annuity "bonus" received a severe jolt yesterday when a controversial amendment was tacked onto it.

As a result, it is doubtful whether Congress will be able to finish action on the bill by May 31. And administration officials have cooled to the idea of having

a retroactive provision allowing the 4.5 percent raise for retirement later than May 31.

The amendment, a bombshell dropped on the House Civil Service Committee yesterday by Rep. H. R. Gross, R-Iowa, would require the U.S. Postal Service to reimburse the civil service retirement fund for the increase in unfunded liability resulting from future pay raises to postal workers.

The new Postal Service is a quasi-government corporation that deals directly with postal employe unions on pay and benefits. Civil service retirement benefits are still under the jurisdiction of Congress.

The Postal Service is opposed to reimbursement of the fund when pay raises are granted. The powerful unions are also opposed, since this would tend to limit the amount of pay raises. Reimbursement to the retirement fund would have to be considered by postal management as part of the pay package cost.

There is a direct relationship between the unfunded liability of the retirement fund and pay raises. For every dollar in pay raises, the unfunded retirement liability increases by \$2.55.

Thus, if the next postal pay raise amounts to a \$1 billion, the cost to the retirement fund would be \$2.5 billion. Under the

Gross amendment, this would be amortized on a 30-year basis.

Taking the \$1 billion pay raise cost as an example, this would mean the Postal Service would have to pay the retirement fund \$135 million a year for the next 30 years.

But the Postal Service's long-range financial obligations would be much greater.

Assuming that postal workers will receive annual pay raises as federal classified and blue-collar workers do, this would mean that each succeeding year would increase the Postal Service's payments to the civil service retirement fund.

On the basis of a \$1 billion-

a-year cost of a postal pay raise — a modest assumption — the Postal Service within 10 years would be paying nearly \$1.5 billion a year into the retirement fund.

The House Civil Service Committee approved the Gross amendment as part of the deferred annuity bill by a vote of 14 to 5. It was viewed by observers as a slap at Postmaster General Winton Blount whose tactics in dealing with the committee have been deeply resented by its members.

However, in place of a non-controversial bill that could have been taken up and approved by the House on May 17

under suspension of the rules, the new version will probably need a rule from the House Rules Committee — normally a time-consuming procedure. Thus passage by May 31 seems remote.

All this poses a dilemma for those who want to retire soon, but not necessarily by May 31, and remain eligible for the 4.5 percent annuity increase. A top CSC official has this advice: "Put in your retirement application now and retire by the end of this month."

**\* \* \* \***  
**STRIKE THREAT** — The leaders of New York City's two big postal unions have warned

that a postal strike is "inevitable" unless the Postal Service comes up with a reasonable pay raise and fringe benefits offer. Until now the Postal Service has made no offer during negotiations with the unions and the issue has gone to fact-finding.

Moe Biller, president of the Manhattan-Bronx Postal Union, and Vince Sombrotto, president of Branch 36 of the National Association of Letter Carriers, accused the Postal Service of "deliberately trying to provoke a strike so that the full power of the United States government could be called down to crush the unions." They said they accepted this challenge.



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 92<sup>d</sup> CONGRESS, FIRST SESSION

Vol. 117

WASHINGTON, FRIDAY, MAY 14, 1971

No. 71

## House of Representatives

The House was not in session today. Its next meeting will be held on Monday, May 17, 1971, at 12 o'clock noon.

## Senate

FRIDAY, MAY 14, 1971.

### THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, May 13, 1971, be dispensed with. The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

### COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today. The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

### EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar. There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

### DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nominations in the Department of Defense, as follows:

James E. Johnson, of California, to be an Assistant Secretary of the Navy.  
Hadlai Austin Hull, of Minnesota, to be an Assistant Secretary of the Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

### U.S. AIR FORCE

The assistant legislative clerk read sundry nominations in the U.S. Air Force.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

### U.S. ARMY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

### U.S. NAVY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

### NOMINATIONS PLACED ON THE SECRETARY'S DESK—IN THE AIR FORCE, IN THE ARMY, IN THE NAVY, AND IN THE MARINE CORPS

The assistant legislative clerk proceeded to read sundry nominations in the Air Force, in the Army, in the

S 6891

The Senate met at 10 a.m. and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord of our life and God of our salvation, consecrate with a sense of Thy presence the way of our labor in this place. Guide by Thy spirit Thy servants who stand in this Chamber, who speak for the many and whose judgments share in determining the Nation's destiny. Scorning narrow partisanship or sectarian dogma make them followers of the larger vision which encompasses the well-being of all the people. Lead them through tension and out of contention into the clear light of Thy will, to the dawning of the one radiant kingdom the only law of which is love and the ruler of which is the sovereign God. Amen.

### DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The assistant legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D.C., May 14, 1971.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,  
President pro tempore.

Mr. BYRD of West Virginia thereupon took the chair as Acting President pro tempore.

S 6892

## CONGRESSIONAL RECORD — SENATE

May 14, 1971

Navy, and in the Marine Corps which had been placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

## LAW DAY

Mr. MANSFIELD. Mr. President, the editor and publisher of the Western News of Libby, Mont., an old friend of many years standing, Paul E. Verdon, has written an editorial in the April 29, 1971, issue of that newspaper.

It is entitled "Editorially Speaking," with the subhead "Change Within the Law."

It is a most fitting editorial as it applies to Law Day and as it applies to situations which have developed in the Nation's Capital in recent weeks and throughout the Nation.

Mr. President, I ask unanimous consent that this editorial—a commentary, really—be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

## CHANGE WITHIN THE LAW

Before law existed, man was a snarling, thieving, head-bashing savage who lived entirely by his strength and his wits. Survival indeed was enjoyed only by the fittest.

Long before man learned to record his accomplishments, the need for rules of conduct gave birth to tribal mores. These strictures against the most elementary forms of misconduct were refined, expanded, and modified as human society became more complex.

Development of alphabets and systems of writing made it possible to record the rules, to interpret them, and to disseminate knowledge of them more widely. In the Far East and around the Mediterranean Sea, civilizations based on written codes of law were in existence almost 50 centuries ago.

So, Law Day, slated to be observed Saturday throughout all the nation, has a cultural background rooted in the distant beginning of man's search for a system of regulations that will insure a peaceful society and human freedom and dignity.

Though far from perfect, the American system of justice represents man's farthest advance along the path to full equality of every individual before the law and equal protection for every person.

For 14 years, the legal profession of the United States has joined with others concerned with maintaining responsible freedom to observe Law Day on May 1, a day when Communist countries stage their grandest festivals.

Montana's Law Day proclamation, issued this year by Lt. Gov. Tom Judge, acting for the absent Forrest Anderson, said "The liberty and freedom we enjoy is made possible only through the rule of law . . . A people

without law is a nation without freedom or liberty." Montanans were urged to "support the courts and agencies of law enforcement and to utilize the resources of law to improve the quality of life for all Americans."

Law—wisely written, impartially interpreted, vigorously enforced—is the prerequisite of an orderly society. Without law, there is no justice, no freedom.

Working within the political system, respecting the law and following its precepts, all manner of social, economic and governmental improvement is possible. Extremist groups who function outside of or above the law, or who subvert it, cause only chaos. They contribute nothing to orderly solution of the problems of our times.

Within the law—both constitutional and statutory—are the avenues of change.

To dissent within the law is acceptable and encouraged. Changes of lasting benefit will result from orderly processes.

Violent protest only antagonizes the public and makes change more difficult to attain.

No reasonable person will argue that our system is perfect. But our lawfully constituted government is subject to legitimate change, which has been accomplished every time the need was proved.

Preservation of the law is our only assurance of a future of responsible freedom.

## CIVIL SERVICE RETIREMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 104, S. 1681.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

S. 1681. To liberalize eligibility for cost-of-living increases in civil service retirement annuities.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Post Office and Civil Service with an amendment. On page 2, line 3, following the words "is payable from the"; strike the word "fund" and insert the word "Fund", so as to make the bill read:

S. 1681

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8340(c) of title 5, United States Code, is amended—*

(1) by renumbering paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively; and

(2) by inserting immediately above paragraph (2) (renumbered as such by paragraph (1) of this section), the following new paragraph:

"(1) An annuity (except a deferred annuity under section 8338 of this title or any other provision of law) which—

"(A) is payable from the Fund to an employee or Member who retires, or to the widow or widower of a deceased employee or Member; and

"(B) has a commencing date after the effective date of the then last preceding annuity increase under subsection (b) of this section;

shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under subsection (b) of this section

In the administration of this paragraph, an employee or a deceased employee shall be deemed, for the purposes of section 8339(m) of this title, to have to his credit, on the effective date of the then last preceding annuity increase under subsection (b) of this section, a number of days of unused sick leave equal to the number of days of unused sick leave to his credit on the date of his separation from the service."

SEC. 2. The amendments made by this Act shall apply only with respect to annuities which have a commencing date after the effective date of the first annuity increase under section 8340(b) of title 5, United States Code, which occurs on or after the date of enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 92-103), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

## PURPOSE

This legislation would permit an employee or Member of Congress eligible for an immediate, retirement annuity after a cost-of-living increase is effective, but before the next cost-of-living increase effective date, to retire and receive an annuity not less than it would have been had he been eligible and retired before the effective date. Also, the survivor annuity of an employee or Member who dies after the cost-of-living increase effective date would not be less than it would have been had it commenced on or before the effective date.

## JUSTIFICATION

The Civil Service Retirement Act provides that whenever the Consumer Price Index shows a 3-percent increase for each of 3 consecutive months over the index for the base month, annuities are adjusted upward by the highest percentage of any of the 3 months plus 1 percent. The increase becomes effective on the first day of the third month following the end of the 3-month period and applies only to annuities commencing on or before the effective date. A survivor annuity is increased the same as an annuity of a retired employee.

Therefore, an employee must be eligible to retire and his annuity must commence on or before the effective date of a cost-of-living increase in order to receive the increase. This bill would permit an employee to retire after the effective date, but prior to the next cost-of-living increase, and receive an annuity not less than it would have been if he had retired prior to the effective date.

An employee who retires on or before the effective date receives a larger annuity than an employee who does not retire until a few days following the effective date, even though both may have the same service beginning date and high 3-year average salary. The same situation exists in computing the survivor annuities for the survivor of an employee who dies immediately prior to the increase date and an employee who dies immediately after.

For example, employee A retires 1 day before the effective date of a cost-of-living increase and receives an annuity of \$985 a month. Employee B, not eligible until 1 month later, retires on an annuity of \$956, or \$29 a month less. Employee B would have to continue working for approximately 6 months in order to recover the amount lost because he was not eligible to retire by the effective date of the increase. This legislation would permit employee B to retire after the



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effective date and receive not less than he would have received had he retired by the effective date.

The present cost-of-living provisions, providing that the employee must retire prior to the effective date, always produce a great influx of retirement applications immediately before the effective date. For example, the last two increases, effective on November 1, 1969, and August 1, 1970, produced 25,000 and 19,800, retirement applications over the normal number of applications received.

This places tremendous burden on the Civil Service Commission to process these forms. A result is delayed annuity payments at a time when they are most needed by annuitants. S. 1681, by permitting an employee to delay retirement, would distribute more evenly the Commission's workload and thereby speed processing of retirement applications.

Employing agencies would also benefit by the enactment of this legislation. As a result of present "bunching" of retirements immediately prior to an increase effective date, many persons are reemployed as annuitants to complete projects and permit the agency to secure replacements.

#### COST

Assuming that a 5 percent cost-of-living annuity increase is effective in each fiscal year 1971 through 1980, the unfunded liability would be increased by a little over \$92 million. The annual cumulative interest payment due the fund from the Secretary of the Treasury at the end of fiscal year 1981 would be a little over \$3 million.

#### ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the assistant minority leader desire to be recognized under the standing order?

Mr. GRIFFIN. Yes, Mr. President.

#### MILITARY SELECTIVE SERVICE ACT—SENATOR MANSFIELD'S AMENDMENT NO. 86

Mr. GRIFFIN. Mr. President, although I have the greatest respect and affection for the majority leader, I must say that the timing of the Mansfield amendment could not have been more unfortunate or inappropriate. This Senate is in danger of going down in history as a Senate which derailed the most promising disarmament talks of our times.

Only this morning, Soviet Party Leader Brezhnev spoke of his interest in negotiating troop withdrawals in central Europe. What possible incentive would he have to pledge Warsaw Pact withdrawals if the Mansfield amendment should be adopted?

Many people may not realize it, but a 50-percent reduction in American forces in Europe would probably require a thin-out of our 6th Fleet. The President simply could not draw down the entire cut from ground forces in Europe. But in any event, such a sudden cut would drastically and unilaterally weaken our military position with respect to the Middle East just at a most promising moment in the long quest for peace between Israel and the Arabs.

The Mansfield amendment is a proposal which would dislodge some of the most important foundation stones of our overseas alliance system—our deterrent against conventional warfare in Europe

as well as our deterrent against a big-power war in the Middle East.

Mr. MANSFIELD. If the assistant minority leader will yield, may I say that I was interested in the proposal made by Premier Brezhnev, which I only became aware of just before the Senate convened this morning.

Let me express the hope that this proposal be pursued expeditiously by the administration. If I know President Nixon, I am certain that it will be viewed with the most serious consideration and good faith. It is indeed encouraging and, if ultimately successful, it will bring about a major achievement which the President and many of us here have been seeking to obtain.

At the same time, I would hope that my amendment would be considered on its own. By itself, I believe it has overwhelming merit. I think it should be accepted by the Senate.

Mr. MATHIAS. Mr. President, will the Senator from Michigan yield?

Mr. GRIFFIN. I yield to the Senator from Maryland.

Mr. MATHIAS. I want to join the distinguished Senator from Michigan, the acting minority leader, in the views that he has just voiced on the impact of the Brezhnev statement. This has a significant bearing on the pending business of the Senate.

I think it gives us a new view and a new hope that mutual and balanced force reductions are a possibility. I do not believe that we want to pursue any will-o'-the-wisp, but the fact that this has come about at this moment is a fortunate circumstance.

I do not believe it should be either undervalued or overvalued but should be placed in its proper perspective and, as the assistant Republican leader has just said, we should review it as it is.

#### ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The time of the assistant minority leader has expired.

Under the previous order, the Senator from Utah (Mr. Moss) is recognized for not to exceed 15 minutes.

#### DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT ACT—AMENDMENT

##### AMENDMENT NO. 91

Mr. MOSS. Mr. President, beginning with the 89th Congress, I have introduced bills to establish a Department of Natural Resources and Environment, and I did so again this year.

Today I submit an amended version of that bill. Its provisions differ somewhat from those of its predecessors, but the essential structure remains the same. The purpose of submitting an amendment to the bill is to make it conform in a number of particulars with the Natural Resources Department bill submitted by the Nixon administration.

The amended provisions will be discussed later.

A more rational agency structure to execute the natural resource responsibilities of the Federal Government has

long been advocated by far-sighted citizens. Moreover, most studies undertaken over the last several decades have led to strong recommendations for consolidation.

But these pleas have fallen on deaf ears. Often it has been argued that however logical such an arrangement might be, the necessary extensive changes would inflict unacceptable wounds on the conservation establishment.

Despite such opposition, however, the pressure of events has moved us in that direction.

I have discussed previously in the Chamber the evolution of the Department of the Interior. Originally, it was a catchall for agencies handling domestic problems. It has evolved, however, into an organization chiefly concerned with management, protection, and administration of natural resources—timber, forage, water, minerals, wildlife, and with the marketing of power and the promotion of outdoor recreation opportunities. The recent Secretaries—Udall, Hickel, and Morton—have looked upon their organization as a resources department. But they have lacked the authority and the designated responsibility to make it one, since resource functions of great magnitude have remained outside Interior. They have been generals commanding only half the troops. The other half have been deployed elsewhere on the field, ordered by different officers.

President Nixon's support of the concept of a Department of Natural Resources offers a shining opportunity to begin anew—to start at the beginning, so to speak, and do this job right.

#### THE RAPE OF OUR ENVIRONMENT

Fundamental considerations support the establishment of a Federal resources department.

First, perhaps is the terrible toll American progress has exacted from the natural environment.

Just 167 years ago, Lewis and Clark bade goodbye to St. Louis and began their 8,000-mile journey through the wilderness.

St. Louis was then the last outpost of civilization. The existence of the awesome barrier of the Rocky Mountains was hardly suspected. A prime object of their mission was to locate the "Great River of the West," which, it was mistakenly believed, emptied into the Pacific Ocean and completed a navigable route across the continent.

In the next 110 years, we drove the Indian and the buffalo from the plains, the beaver from the mountain streams, and the passenger pigeon from the air. We spanned the continent with rails and built a mature industrial economy.

In the 60 following years we increased the number of automobiles from 540,000 to 71,500,000—157 times increase. And we completed the settlement of 123 million persons west of the Appalachians.

Having done so much in so little time, it is little wonder that we have skinned and exhausted the land—to use Theodore Roosevelt's phrase.

The Senate has heard all too often the grim recital of fouled rivers, smoky skies, scarred hillsides, crowded national parks, disappearing wetlands, and en-

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dangered species. We understand that time is running out on this recently virgin land.

A second fundamental reason for the placement of principal resources responsibility in one department is the structure of nature itself.

Robert Frost said that what makes a nation in the beginning is "a good piece of geography." A piece of geography is a unit: Land, water, atmosphere, forests—all are part of the same system. For thousands of years, man's activities left nature relatively unscarred. But as we have put more and more pressure on the environment, a "multiplier" effect has come into play.

In March 1968, Dr. Stanley A. Caine, then Assistant Secretary of the Interior for Fish and Wildlife and Parks, talked about the long-term results of tinkering with the environment. Caine told an Argentine resource conference:

We are still pursuing too many essentially single-purpose programs, running a risk of failure—not necessarily failure to accomplish the narrow objective, but failure to anticipate the consequences of our actions. These consequences, often unexplored side effects, are ignored until they bear down upon us with intolerable changes in the environment. In some cases the costs of these changes may far exceed the direct benefits of a project.

#### THE NEED FOR A DEPARTMENT

The numerous and complex responsibilities of the Federal Government in the resources field offer numerous other reasons for the establishment of a DNR. These responsibilities include not only resources management, but also construction of public works; establishment of resources policy, both through legislation and through administrative regulations; dissemination of a vast range of information; and the conduct of many kinds of research and development.

Fulfilling such responsibilities for a nation expanding rapidly both in population and production of goods has led to the establishment of vast and numerous programs. Particularly in the last 15 years, responding to the deepening environmental crisis, Congress has enacted a long list of resource development and conservation laws. But most have been limited in scope; that is, they have applied to a single resource, or area of the country, or agency, or project. We have shied away from giving one head to our resource management effort.

It was the absence of such a head—and the resulting lack of coordination and comprehensive planning of our water resources—that was my principal concern when I introduced a Department of Natural Resources bill 5 years ago.

Primary water resources responsibility is still divided among three Federal departments. These are the Department of the Army, the Department of Agriculture, and the Department of the Interior. At one time, there was a fourth—Health, Education, and Welfare—but in 1967 President Johnson, under his reorganization of part of our public lands, while nization powers, transferred the Water Pollution Control Administration from HEW to Interior. Now there are again four, as President Nixon has moved

WPCA to the new Environmental Protection Agency and renamed it the Water Quality Office.

It must be understood that Congress did not set out to confuse water resource responsibilities. The Federal water management agencies were created years ago to solve specific problems and were placed in departments which were deemed appropriate then. The Corps of Engineers was born in the 1820's with an appropriation of \$75,000 and an assignment to remove sandbars and "sawyers, planters and snags" in the Mississippi and Ohio Rivers to aid navigation. The Bureau of Reclamation—in the Department of the Interior—was created in 1902 to "reclaim" for agriculture land in 17 Western States.

With the passage of the years, both agencies have expanded greatly and have graduated to multipurpose water resource development.

In 1954 a watershed protection operation which was assigned—perhaps logically at that time—to the Soil Conservation Service put the Department of Agriculture into the water resources picture in a big way. Thus we came to have three major dam-building agencies.

All three engage in river basin planning. In addition, an important independent agency—the Federal Power Commission—also does river basin planning because with it rests the authority to license the dams built by investor-owned power companies.

A higher degree of coordination in water resource planning and management has, of course, been advocated for a long, long time.

But it was only in 1965 that Congress enacted a Water Resources Planning Act. It provided, essentially, a committee of Cabinet officials—assisted by a very competent staff—to coordinate the programs of the great departments in the water field and to make a biennial assessment of the adequacy of the Nation's water supply.

The act was a step forward; but the weakness of the program it established is evident. First, it places responsibility in a committee rather than in an individual. Second, it involves a number of men—Cabinet Secretaries—who have more than full time jobs managing their own departments, and who already serve on several other high level committees. Such an arrangement might have worked 30 years ago. But it is clearly inadequate today, when skillful water resource planning and management are essential to the provision of an adequate supply of clean water.

Administration of public lands is another resource area which suffers from dispersed management responsibility.

At present, the Bureau of Land Management in the Department of the Interior is responsible for the administration of the remainder is administered by the Forest Service in the Department of Agriculture.

These two agencies now operate under many conflicting policies and procedures which should be coordinated in the interest of good resource management as well as for the convenience of the public.

The management of outdoor recrea-

tion resources is also divided up among major departments. Citizens are frequently surprised to learn that the Army serves more recreation "customers" than any other department. This, of course, results from the millions of visits made each year to the reservoirs built and managed by the Corps of Engineers.

Next in recreation volume is the Department of Agriculture which manages the National Forests. Behind Army and Agriculture trails the Department of the Interior, even though it contains the Bureau of Outdoor Recreation.

The problems of two other resources—the oceans and the estuaries—should also be mentioned.

The sea is a somewhat new frontier in the resource field. In my view, coordinated natural resources programs cannot be set up without recognizing the rich resources of the oceans and the fact that—in management—it is difficult to separate the sea from the land or the ocean from the river which flows into it.

The need for an oceanography program has been well demonstrated. The only question that remains is which department can operate it most efficiently. I believe it fits into a Department of Natural Resources, and I am pleased to support Mr. Nixon's efforts to place it there.

Also the need for a policy to preserve, develop and restore the estuaries of the United States coastal and estuarine zone is well known, and the development and management of such a policy should obviously be directed by a department concerned with ocean and other water resource management.

#### WHAT WOULD A DNR DO?

Let me now turn to a more detailed examination of these proposals. What should a Department of Natural Resources do? What functions should be assigned to it? What agencies should it contain?

On these points I differ somewhat with the President. Let us examine the variance between my concept and that embodied in the legislation advanced by the administration.

The most significant difference is that my Department of Natural Resources and Environment would include the components of the Environmental Protection Agency—the Water Quality Office, Solid Waste Office, Air Pollution Control Office, Pesticide Office, and Radiation Office. The administration proposal, on the other hand, retains EPA as a separate agency as constituted by Mr. Nixon's reorganization plan of last year. In other words, a basic thrust of the Moss design is the placement—within the same department—of functions governing protection of natural resources as well as those governing development or exploitation of natural resources.

Last July I testified before the Subcommittee on Executive Reorganization of the Committee on Government Operations to offer my views on Mr. Nixon's Reorganization Plans Nos 3 and 4 which established the Environmental Protection Agency and the National Oceanic and Atmospheric Administration.

I said at that time it would be helpful to have in one agency all of the programs directed to prevention of damage

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is E. Perkins McGuire, former Assistant Secretary of Defense. Other members are: Joseph W. Barr, former Secretary of the Treasury, Representative FRANK HORTON, and myself—all three appointed by the Speaker of the House; Richard E. Horner, president of the E. F. Johnson Co., Senator HENRY M. JACKSON, and Senator EDWARD J. GURNEY, all three appointed by the President of the Senate, and Robert L. Kutzig, Administrator of the General Services Administration, Frank Sanders, Assistant Secretary of the Navy, Paul Beamer, executive vice president of the Electro Fiber Optics Corp., Peter Dierks Joers of the Weyerhaeuser Corp., and, along with Chairman McGuire, all appointed by President Nixon. Comptroller General Elmer Staats was made a member by the statute itself.

Due to delays in the appointments, the Commission was not able to hold its first meeting until April of 1970 and the top executives were not all on the job until August. Recognizing the need to bring differing viewpoints and varying experience into play, the Commission decided to form study groups to review defined areas, to gather pertinent data and opinions from working levels and interested members of the public as well as top management, and to submit their findings to the Commission for consideration in forming its report to the Congress.

To man these study groups, it was decided to borrow experts from industry, from Government agencies, from academic institutions and from various associations. Arrangements have now been made for almost 150 full-time personnel and some 200 part-time participants to assist the Commission in this study effort. Identifying the skills, and the mixes of experience and viewpoint necessary to insure full, substantiated results, locating individuals having the requisite abilities and background, and arranging for their loan to the Commission for 9 to 12 months of study, took longer than anticipated. Thus, it was not until March of this year—1971—that the 13 study groups were established and at work.

Mr. Speaker, I served on the Second Hoover Commission and I know from personal experience what is involved in a comprehensive study such as the Procurement Commission is undertaking, and if the Congress is going to get the full benefit of what can be accomplished it will take additional time.

The request for the extension was agreed to unanimously by the members of the Commission, it is supported by the Nixon administration and by the Comptroller General.

Our committee concurs in the estimate of the Commission that the extension of 13 months will cost approximately \$1.4 million in addition to its current appropriation. The expenditure will be well worthwhile, as I am certain many millions of dollars will be saved as a result of the Commission's work.

As we say in the report, we are satisfied that the work will be completed in the requested time and no further extensions will be needed.

I hope the Members of the House will

give overwhelming support to this legislation.

Mr. HALL. Mr. Speaker, will the distinguished gentleman yield?

Mr. HOLIFIELD. I am glad to yield to the gentleman from Missouri.

Mr. HALL. I wonder if the distinguished gentleman, who has made such a forthright statement, could advise us a little bit more about the real reasons for the "legitimate and unavoidable delay" in the functioning of this Commission as stated in the report?

Mr. HOLIFIELD. Well, the primary reason was an approximately 5-month delay in the appointment of the Commission, to begin with, in the first year of its life.

The next problem was getting the people to serve on the Commission. One of the problems was due to the tight fiscal situation; so many of the companies were loathe to spare the people that we felt were the ones we wanted.

Now, we could have picked up names almost anywhere, but we wanted to get certain types who could fill in with expertise in certain areas. Mr. Maguire, who is a distinguished businessman himself, I think did a very good job in going rather slowly on getting the people together. We have real confidence that we have first-raters throughout both in the 150 full-time workers and in the 200 part-time workers who are furnished at the expense of various industries. There is no salary attached. We do pay their transportation whenever transportation costs are needed.

Mr. HALL. Mr. Speaker, I appreciate the gentleman's added statement. I think it is helpful to this record.

When the group broke up into various study groups, did they contract out a lot of the work to be done?

Mr. HOLIFIELD. No. Contracting has been kept to a minimum. These are working groups. I had the opportunity a week ago of attending one of these study groups. No. 3 it was. They were having one of their field hearings at the time. They are going around to the different centers of industry and commerce and are holding hearings in which they invite in the people engaged in contracting with the Government. They listen to their complaints on Government procedures and their criticisms of contracts and procedures in bidding and with respect to the different types of bids and so forth. I found it to be a very good experience to see this working group at the local level. In other words, we are taking it to them rather than asking them to come out here to Washington.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. HALL. I would like to ask one additional question.

Mr. HORTON. I would like to add something in connection with it.

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. HORTON. That is primarily the work of these task forces is being done in-house. Very little of it is being done by contract, in answer to the question proposed by the gentleman from Missouri.

Mr. HOLIFIELD. I thank the gentleman.

Mr. HALL. Will the gentleman yield further?

Mr. HOLIFIELD. Yes. I yield to the gentleman.

Mr. HALL. Certainly on the basis of my primary committee assignment, I understand the need for updating of methods and techniques for procurement. I look forward to this Commission's report with a great deal of interest. As I understand it, the total cost is estimated to be about \$7 million. Is that correct?

Mr. HOLIFIELD. I would say that is a ceiling. I think it will run less than that.

Mr. HALL. I would hope so.

Then my final question is this: If we are delaying the time for submission of the final report by 13 months or up until December 31, 1972, why do we fund it through fiscal year 1973?

Mr. HOLIFIELD. Well, there will be an estimate of about 60 days to wind up the affairs, the papers, and all that sort of thing. That will be mostly clerical. The report comes in within the month, and they will have some cleanup work which will not amount to very much.

Mr. HALL. But there is no intent to continue this type of commission?

Mr. HOLIFIELD. No; there is not.

I might say very frankly to the gentleman that we would have made it a straight 12-month extension, but then that report would have been brought out just before the election and there would have been a lot of charges of partisan politics. So far in this work there has not been one degree of partisanship. The people have been working toward the objective of really doing some good work. And we felt like to bring out the report right before the 1972 presidential election, it would either be buried insofar as attention is concerned, or it would be called partisan by one side or the other. So this would carry it over past the November election.

Mr. HALL. Mr. Speaker, I would certainly not doubt the committee's wisdom and that of the distinguished chairman in that regard.

However, my question addressed itself simply to the question as to why allow 6 months' funding during which to do a 60-day job insofar as the final authorization of the expenditure of appropriations is concerned?

Mr. HOLIFIELD. We shall watch this very closely and shall be as economical as we can, I will say to the gentleman.

Mr. HORTON. Mr. Speaker, I yield myself such time as I may consume.

(Mr. HORTON asked and was given permission to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, I rise in support of this bill, H.R. 4848, as one of the cosponsors and indicate my concurrence with the remarks which have been made by the gentleman from California (Mr. HOLIFIELD).

As a member of the Procurement Commission, I am familiar with the reasons for the extension request and concur with them completely.

The matter was heard by our Subcommittee on Government Operations, and then reported out by the Govern-

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cc: L. De Felice  
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ment Operations Committee unanimously.

Mr. Speaker, I want to fully endorse the statement of the distinguished chairman of the Government Operations Committee in support of H.R. 4848 which he and I introduced.

Chairman HOLIFIELD and I have long been associated with efforts "to promote economy, efficiency, and effectiveness in the procurement of goods, services, and facilities by and for the executive branch of the Federal Government" as the policy statement reads in the act establishing the Commission on Government Procurement. Upon the establishment of the Commission, he and I were appointed to it by the Speaker of the House. Since then, we have done our best to see that the Commission performed as well as possible the difficult assignment with which it was charged by the Congress.

As the chairman pointed out, the organization of the Commission, the development of its study program, and the establishment of its study groups took longer than originally anticipated. On the basis of my close observation of the performance to date of the Commission and staff, I can report unequivocally that there has been no undue wastage of effort or resources. Indeed, I feel the Commission and staff have done an excellent job of structuring the study effort. I believe the extra time required for these initial phases of the Commission's work was absolutely essential if we are to receive from the Commission the quality effort required.

Mr. Speaker and my colleagues, we need the detailed study being planned by the Commission if we are to have "economy, efficiency, and effectiveness" in Federal procurement. I urge the House to pass H.R. 4848, which will allow the Commission the time necessary to prepare its report.

Mr. Speaker, I urge my colleagues to support and approve the extension as contained in the bill H.R. 4848.

Mrs. DWYER. Mr. Speaker, I rise in support of H.R. 4848, to provide for an extension of the date on which the Commission on Government Procurement shall submit its final report. This bill has the unanimous support of the Government Operations Committee on which I have the honor of serving as ranking minority member. I wish also to express my complete faith and trust in the work of the two Members of the House, the gentleman from California (Mr. HOLIFIELD), and the gentleman from New York (Mr. HORTON), who have given so much of their time and effort to the legislation establishing the Commission, and, now that they are members of the Commission, to the work of that body. Their presence on the Commission assures us of a high-quality report.

The SPEAKER. The question is on the motion of the gentleman from California that the House suspend the rules and pass the bill H.R. 4848.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### LIBERALIZATION OF ELIGIBILITY FOR COST-OF-LIVING INCREASES IN CIVIL SERVICE RETIREMENT ANNUITIES

Mr. WALDIE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7964) to liberalize eligibility for cost-of-living increases in civil service retirement annuities, as amended.

The Clerk read as follows:

H.R. 7964

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8340(c) of title 5, United States Code, is amended—*

(1) by renumbering paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively; and

(2) by inserting immediately above paragraph (2) (renumbered as such by paragraph (1) of this section), the following new paragraph:

"(1) An annuity (except a deferred annuity under section 8338 of this title or any other provision of law) which—

"(A) is payable from the Fund to an employee or Member who retires, or to the widow or widower of a deceased employee or Member; and

"(B) has a commencing date after the effective date of the then last preceding annuity increase under subsection (b) of this section;

shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under subsection (b) of this section. In the administration of this paragraph, an employee or a deceased employee shall be deemed, for the purposes of section 8339(m) of this title, to have to his credit, on the effective date of the then last preceding annuity increase under subsection (b) of this section, a number of days of unused sick leave equal to the number of days of unused sick leave to his credit on the date of his separation from the service."

Sec. 2. Section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, the United States Postal Service shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to active and retired Postal Service officers and employees, and to their survivors, when such increase results from an employee-management agreement under title 39, or any administrative action taken pursuant to law, which authorizes increases in pay on which such benefits are computed.

"(2) The estimated increase in the unfunded liability, referred to in paragraph (1) of this subsection, shall be determined by the Civil Service Commission. The United States Postal Service shall pay the amount so determined to the Commission in thirty equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System, with the first payment thereof due at the end of the first fiscal year after the

fiscal year in which an increase in pay becomes effective."

Sec. 3. Section 1005(d) of title 39, United States Code, is amended by adding at the end thereof the following new sentence: "The Postal Service shall pay into the Civil Service Retirement and Disability Fund the amounts determined by the Civil Service Commission under section 8348(h)(2) of title 5."

Sec. 4. The amendments made by the first section of this Act shall apply only with respect to annuities which have a commencing date after the effective date of the first annuity increase under section 8340(b) of title 5, United States Code, which occurs on or after the date of enactment of this Act. The amendment made by section 3 of this Act to section 1005(d) of title 39, United States Code, as enacted by the Postal Reorganization Act (84 Stat. 732; Public Law 91-375), shall become effective on that date on which the other provisions of such section 1005(d) become effective.

The SPEAKER. Is a second demanded? Mr. SCOTT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. WALDIE. Mr. Speaker, I yield myself such time as I may consume.

(Mr. WALDIE asked and was given permission to revise and extend his remarks.)

Mr. WALDIE. Mr. Speaker, I take this time to briefly explain the dual purpose of the legislation under consideration, and to urge its unanimous adoption and early enactment.

The bill before the House is based, in part, upon an administration recommendation. By letter dated March 25, 1971, addressed to the Speaker of the House, the Chairman of the U.S. Civil Service Commission submitted for the consideration of the Congress, and recommended favorable and expeditious action on a proposal which is incorporated in the first section of H.R. 7964, S. 1681, a bill which is devoted solely to the matter covered by the first section of H.R. 7964, was passed by the Senate last Friday.

The civil service retirement law provides for the automatic upward adjustment of annuities when the cost of living, as determined by the Bureau of Labor Statistics' nationwide Consumer Price Index, goes up at least 3 percent over the price index for the month used as the basis for the most recent adjustment, and stays at or exceeds 3 percent for 3 successive months. Since this feature of the law became operable in 1965, six cost-of-living increases have already been authorized, with the seventh increase scheduled the first of next month, June 1, 1971.

Under existing law, in order to be eligible to receive any such increase, an employee must retire no later than the last day of the month preceding the month in which the particular increase becomes effective. For example, in order to get the upcoming June 1, 1971, increase in annuity, an employee must retire no later than May 31, 1971. However, if he continues to work after that date and retires some months later, he may receive an annuity benefit smaller than that which would have been payable had he retired on May 31. Although his additional service and higher average salary



will result in a larger "earned benefit" than would otherwise have been earned on May 31, it will take him from 3 to 10 months, depending upon his particular service history, to recoup the 4½-percent increase he could receive by retiring on May 31.

Similarly, for a widow to receive the 4½-percent increase in her annuity, her employee-husband must die before June 1. Should his death occur on or after June 1, the widow, ironically, will not be entitled to the increase.

One of the purposes of H.R. 7964 is to eliminate the anomaly of an employee who is separated for retirement—either voluntarily, involuntarily by reductions in force, on account of disability—on or soon after the effective date of an increase receiving a smaller annuity than one who retires before the effective date, despite the fact that he may have as much or more service and an equivalent or larger average salary. The parallel anomaly with respect to widows of deceased employees will likewise be removed. The bill corrects this inequitable condition by guaranteeing that an employee who retires on or after the effective date of a cost-of-living increase, and the spouse of an employee who dies thereafter, will receive an annuity at least as large as would have been paid had retirement or death occurred immediately prior to such effective date.

Additionally, present law works to "cluster" an abnormal number of retirements immediately prior to the effective date of every cost-of-living increase. Normally, the normal flow of retirements from Government service would average about 5,000 each month. However, in practice, employees who had been contemplating retiring within 6 months or so after such an event advance their retirement to just before the effective date so as to derive the benefit of the cost-of-living increase. To illustrate, the most recent increase, which was triggered last August 1, produced approximately five times the number of retirements that occur in a normal month. Similar experience is reflected on all such occasions, and results in placing a burdensome workload upon the Civil Service Commission in adjudicating a peak load of claims; causes months of delay in the issuance of annuity awards and benefit payments; increases the administrative costs of the program by requiring overtime pay to process the workloads; and adversely affects the operations of Federal agencies when an inordinate number of employees suddenly decide to retire.

The legislation will serve to alleviate these adverse effects by moderating the peaking of retirements just before increases become effective, and by reducing the disruption in agency operations on such future occasions.

The committee has amended the introduced bill to reaffirm and strengthen the policy it laid down in the last Congress with respect to the financial stability of the civil service retirement fund. By enacting the Daniels-McGee Act of 1969, the Congress established, among others, the policy that the costs of future unfunded liabilities in the Fund which re-

sult from increases in pay upon which annuities are computed shall be fully financed. When enacting pay legislation the Congress recognizes the resultant costs which accrue to the retirement system and, by amortization, assumes the responsibility of paying for them in equal annual appropriation installments over 30-year periods. Adherence to that policy, where the Congress controls the paying-fixing machinery, precludes further increases in deficiencies which existed prior to the enactment of the financing provisions of Public Law 91-93.

However, since the recently enacted Postal Reorganization Act transfers the pay-fixing authority for postal employees to the new Postal Service, the Congress has no control over nor any longer has responsibility for costs resulting from negotiated agreements or administrative actions of that independent agency. Although postal employees will continue to participate in the civil service retirement system, the Postal Reorganization Act was somewhat deficient in failing to require the Postal Service to be liable for funding of the retirement costs associated with its pay-fixing authority.

It is in this latter respect that our committee's version of the legislation differs from the Senate-passed version. It is the consensus of our committee, however, that the Postal Service, as a self-sufficient entity, should bear the responsibility for additional retirement costs it incurs to the retirement fund by virtue of its own actions.

Accordingly, the committee amendment will require the Postal Service to pay into the retirement fund, in a manner similar to that by which the Congress fulfills its obligations, moneys to amortize any unfunded liabilities which are attributable to postal salary increases.

Mr. Speaker, this legislation was unanimously approved by the committee. I, therefore, urge its unanimous adoption by the House.

Mr. CHAPPELL. Mr. Speaker, will the gentleman yield?

Mr. WALDIE. I yield to the gentleman. (Mr. CHAPPELL asked and was given permission to revise and extend his remarks.)

Mr. CHAPPELL. Mr. Speaker, as the ranking member of the Retirement Subcommittee, and having had the privilege of chairing the subcommittee's hearing on this legislation, I rise in wholehearted support of H.R. 7964.

As the gentleman from California has indicated, because of the anomaly of the present law, an employee who retires soon after the effective date of a cost-of-living increase receives a smaller annuity than does an employee with the same service beginning date and 3-year salary average who retires on or before the effective date. Thus, even though the employee who retires after the effective date has more service—he receives a lesser annuity.

This, of course, is patently unfair and should be corrected.

The Civil Service Commission, in advocating the changes to be made by passage of H.R. 7964, has testified that the present law produces a "bunching" of

retirements immediately before the effective date of every cost-of-living annuity increase. This "bunching" results in administrative problems and heavy expense by the Commission in attempting to cope with the abnormal number of retirements.

The retirement at one time of a number of key personnel also works hardships on Government agencies.

The costs resulting from this modification in the retirement law will be largely offset by reduced expense incurred by the Civil Service Commission.

The Commission has estimated that interest payments on the additional unfunded liability in the retirement fund will begin at \$53,000 in fiscal year 1972 and will rise to a highest expense of \$265,000 in fiscal year 1980. The Commission reports that these costs will be offset by a savings of some \$250,000 in administrative expenses which must be incurred at every cost-of-living annuity increase, due to the "bunching" of retirements by personnel who retire before the effective date of the increase in order to qualify for it.

In amending the subcommittee-reported bill, the full Committee on Post Office and Civil Service clarifies and confirms the principle to which the Congress subscribed in enacting the Retirement Financing Amendments of 1969, and remedies a deficiency in the Postal Reorganization Act of 1970. The Postal Reorganization Act is premised upon the Postal Service becoming a self-sufficient entity, with Congress no longer playing a role in fixing the pay of postal employees.

Although employees of the Postal Service will continue to be subject to the civil service retirement program, and the Postal Service, as the employer, will contribute its share of the normal costs of the program, no financing provision was made in Reorganization Act to cover any unfunded liabilities that will be created by that independent entity in granting future salary increases under its pay-setting authority.

The committee amendment remedies that particular deficiency, and restates the intent of the Congress that any newly created unfunded liabilities in the retirement system which arise from increases in employees' pay shall be fully funded under the amortization principle adopted by the 91st Congress in enacting title I of Public Law 91-93.

I subscribe to the dual purpose of the bill, Mr. Speaker, and I urge the House to lend its unanimous support to this legislation.

Mr. SCOTT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of the bill, H.R. 7964, and join the distinguished chairman of the subcommittee in the remarks he has made in favor of its enactment.

Mr. Speaker, this measure was recommended by the Civil Service Commission. Thereafter it was unanimously passed by our committee. There was a difference of opinion within the committee as to the procedure under which the amendment was adopted by the full committee. However, the reporting of the bill, as amended

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by the committee, was by a unanimous vote of 19 to 0.

Mr. Speaker, as the Members know, under the present law there is a cost-of-living increase every time the cost of living rises by 3 percent or more, and an additional 1 percent is added for the delay in effecting the change in the cost-of-living increase.

At the present time it is expected that on June 10 of this year there will be a cost-of-living increase, but in order for a government employee to obtain this cost-of-living increase, he must retire not later than May 31. This results in a large number of people retiring on the last day that they can retire and still obtain this cost-of-living increase in compensation.

The proposals before us now would change this requirement and would spread the time within which an employee could retire and still obtain the cost-of-living increase.

The measure provides that after the effective date of the bill no one retiring after the day that the cost-of-living increase is effective shall receive less in retirement pay than they would have received had they retired prior to the effective date.

Enactment of this bill will help the Civil Service Commission in computing annuities in that they can do this over a wider period of time. It will also help the executive departments and independent agencies in that they will not have a large number of employees retiring at the same time. This will mean that work within the departments and agencies can proceed in a normal way without being handicapped by a large number of retirements within a short period of time.

Mr. Speaker, I believe this is a good bill and I again join the chairman of the subcommittee in urging that we have a unanimous vote in favor of the passage of this proposal.

Mr. Speaker, the second phase of the bill relates to the postal service. It provides that the postal service shall contribute to the unfunded liability in the same manner in which the Congress, through its appropriations committee, contributes on behalf of other civilian Government employees when additional benefits are provided. This is something, I believe, our committee and the Congress neglected to do when the postal reform measure was passed during the 91st Congress.

There are roughly one-fourth of all Government employees, amounting to something over 700,000 Government employees, who work for the postal service. We tried during the 91st Congress to make the retirement fund actuarially sound. I think we did a good job on that, but now we are faced with the possibility that the new postal service will not contribute its portion to the unfunded liability. This is just a part of plugging the leak in the present law so that we will keep the fund sound.

I think it is a sound measure because if we are going to have a retirement fund, we need to have the money available to pay the retiree when he leaves the Federal service. Certainly we do not want to reverse the congressional action of

the last Congress in providing for the soundness of the retirement fund. I urge the approval of this bill.

Mr. Speaker, I yield to the gentleman from Maryland.

Mr. HOGAN. Mr. Speaker, I appreciate the gentleman's yielding, and I commend him for his remarks.

Mr. Speaker, I rise in support of H.R. 7964, which will correct an anomaly that exists with respect to cost-of-living adjustments in civil service retirement and survivor annuities.

This legislation has the support of the Nixon administration as well as the unanimous support of our Post Office and Civil Service Committee. It has been cosponsored by the distinguished chairman of our committee, Mr. DULSKI, myself, and many of our committee members.

Mr. Speaker, this is good, common sense legislation, and will aid the U.S. Civil Service Commission to handle its administrative duties better and at the same time assure Federal employees who retire after the effective date of a cost-of-living annuity adjustment to insure that their civil service annuity shall not be less than the increased annuity which would have been payable had the employee retired immediately prior to the effective date of that adjustment.

For too long a period now under the present cost-of-living provision, employees and the Commission have shared in a most unfortunate situation. Certain employees who retired after the effective date of the cost of living adjustment have received an annuity less than that of another Government employee who has identical service, tenure and salary base but who retired on or prior to the effective date of the cost of living adjustment. The Commission on the other hand has had the burdensome and costly problem of administering an inordinate number of applications prior to the effective date of the cost-of-living adjustment.

As an example, August 1, 1970, the latest cost-of-living adjustment produced 19,000 retirements in addition to the 5,000 or less that occur in a normal month. This bunching of retirements also creates a major problem in the Federal agencies throughout the Government because valued employees working on current projects who retire must be rehired on a consultant basis to finish their work.

Mr. Speaker, enactment of this legislation will help to eliminate these problems.

I urge prompt passage of H.R. 7964.

(Mr. HOGAN asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, it is not my intention to in any way interfere with the processing of this bill which I supported in committee, and do so here this afternoon. However, I submitted supplemental views to the committee report in an effort to direct the attention of Members to questions which I feel, to this moment, have been unanswered.

My views, as contained in the committee report follow:

SUPPLEMENTAL VIEWS OF HON. EDWARD J. DERWINSKI ON H.R. 7964

I appreciate the fact that when this legislation is considered on the Floor, the main thrust of discussion will probably be directed at the Committee amendment which requires the Postal Service to assume the responsibility for any increases in the unfunded liability of the Civil Service Retirement Fund as a result of negotiated pay increases. However, I wish to alert the Members to the basic policy concept embraced by the bill, with the thought that the path we are taking should be clearly outlined.

In simple terms, the bill allows an employee to retire after the effective date of a cost of living increase and still receive an adjusted annuity which would be no less than the one he would have received had he retired prior to the effective date of the cost of living adjustment.

In practicality, what we are doing is erasing any differential between the active and retired employee so far as cost of living adjustments are concerned. This is the point I hope that all the Members will understand.

Admittedly, the Civil Service Commission justifies this action on the ground that it would level out the peaking of retirements which are triggered by cost of living annuity increases.

Be that as it may, consideration should be given to whether cost of living increases should only go to retired Federal employees living on fixed incomes and who are the real victims of inflation.

The history of cost of living annuity increases may throw some light on the answer. In 1962, when the cost of living increase language originated, there was an actual requirement, because of the wording of the law, that an annuitant be on the rolls for at least 15 months in order to qualify for the increase.

Then, in 1965, along with other amendments to the Retirement law, we eliminated this 15-month requirement and, in effect, permitted the cost of living allowance to go to all employees who are on the rolls the day before the increase becomes effective.

One of the results of the 1965 change was that this type of "bonus increase" encouraged eligible employees to retire on a given date and clear out on a periodic basis employees who would otherwise hang on indefinitely.

Now, with this bill, we change that policy and remove the incentive to the employee to fix a retirement date.

While I supported the amended bill as it came from the Committee, the three-day span in which the legislation was considered in public hearings, subcommittee markup, and full committee markup was certainly not sufficient time to thoroughly air this policy change. Therefore, I take this means to alert the Members in the event that we are faced with troublesome consequences sometime in the future.

EDWARD J. DERWINSKI, M. C.

(Mr. DERWINSKI asked and was given permission to revise and extend his remarks.)

Mr. WALDIE. Mr. Speaker, I yield to the distinguished chairman of the Post Office and Civil Service Committee, the gentleman from New York (Mr. DULSKI).

(Mr. DULSKI asked and was given permission to revise and extend his remarks.)

Mr. DULSKI. Mr. Speaker, I rise in support of H.R. 7964, which liberalizes the eligibility requirements for cost-of-living increases in civil service retirement annuities. I sponsored this bill on

the basis of an official recommendation by the Chairman of the United States Civil Service Commission. The bill was ordered reported by our committee with an amendment by a record vote of 19 to 0.

The primary purpose of this bill is to eliminate the inequity that exists under the present Civil Service Retirement Law in connection with cost-of-living adjustments in annuities, and administrative problems that have arisen whenever such adjustments are made.

Under existing law, an employee who retires soon after the effective date of a cost-of-living increase actually receives a smaller annuity than does an employee of the same age, length of service, and average salary who retires before the effective date of that increase.

The present law produces a "bunching" of retirements immediately before the effective date of every cost-of-living increase. This bunching of retirement applications adversely affects the administration of the Civil Service Retirement System and results in additional administrative expenses of approximately \$250,000 each time there is a cost-of-living annuity increase. The additional expense is due mainly to the overtime which is necessary to process the increased number of retirement applications.

The provisions contained in the first section of H.R. 7964 will operate to eliminate this problem.

Another purpose of the bill under sections 2 and 3, which were added by the committee amendment, is to require the Postal Service to pay into the retirement fund amounts necessary to cover the unfunded liability which occurs whenever Postal Service employees are granted an increase in pay.

I supported the committee amendment on the basis that it is consistent with the congressional policy established under the Postal Reorganization Act. That policy is that all costs of postal operations are to be an obligation of the Postal Service to be covered by postal rates and fees or appropriations made specifically to the Postal Service.

Under this policy any new increase in the unfunded liability of the civil service retirement fund occasioned by pay increases for postal employees should be an obligation of the Postal Service, but the existing law does not require such obligation to be paid by the Postal Service. Sections 2 and 3 of the reported bill will correct this omission in the Postal Reorganization Act. For each dollar increase in pay for Postal Service employees the unfunded liability in the civil service retirement fund increases by \$2.61. Each 1 percent increase in postal pay increases the payroll cost by approximately \$65.5 million, and the unfunded liability by \$171.3 million. Under this legislation, the increase in unfunded liability resulting from each 1-percent increase in postal pay will require payments by the Postal Service at the rate of \$9 million per year for 30 years.

This morning I received a report from the Postmaster General on these provisions. He does not oppose the provisions but recommends that action be deferred

until hearings can be scheduled and testimony received from the Civil Service Commission, the Postal Service, employee representatives and representatives of mailers. A copy of the Postmaster General's letter dated May 14, 1971, will be inserted at the end of my statement.

Mr. Speaker, our committee held months of hearings in 1969 before the congressional policy on the obligation of the Postal Service was established. I feel sure that the members will agree that this policy would not be changed by scheduling additional hearings on this proposal. I see no reason to delay enactment on these provisions to schedule such hearings.

Mr. Speaker, I also received a communication this morning from the president of the Board of Education of the District of Columbia recommending that this legislation include an amendment extending the same cost-of-living annuity benefits to teachers of the District of Columbia. The teachers have a retirement system that is practically identical to the civil service retirement system and without such amendment the teachers who wish to have the benefits of the cost-of-living increase effective June 1 must retire on or before May 31 prior to completion of the full school year during June. Mr. Speaker, had I known of this inequity I would have consulted with the District of Columbia Committee, which has jurisdiction over District of Columbia teachers' retirement system, and if they had agreed I would have favored adding an amendment to this legislation. Unfortunately, it is too late now to add such an amendment to the legislation. A copy of the letter from the president of the Board of Education of the District of Columbia is attached to my statement.

The statement and letter follows:

THE POSTMASTER GENERAL,  
Washington, D.C., May 14, 1971.

HON. THADDEUS J. DULSKI,  
Chairman, Committee on Post Office and Civil Service, House of Representatives,  
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for a report on an amendment offered by Mr. Gross to H.R. 7964, a bill "To liberalize eligibility for cost-of-living increases in civil service retirement annuities."

The amendment to the bill would require the Postal Service to make 30 equal annual payments to the Civil Service Retirement Fund to cover increases in the unfunded liability of the Fund due to pay increases granted postal employees as a result of employee-management agreements or as a result of other administrative action.

The amounts the Postal Service would be required to pay under the amendment could reach very large proportions. Under conditions prevailing at the present time, according to information provided by the Chief Actuary of the Civil Service Commission, each one percent of a pay increase will cause a liability to the Fund of approximately \$9 million per year for thirty years.

We appreciate this opportunity to comment on the amendment to H.R. 7964. However, we believe that because of the importance of this amendment to the Postal Service, involving potential payment of many hundreds of millions of dollars, hearings should be scheduled and testimony by the Civil Service Commission, the Postal Service, employee representatives, and representatives

of mailers should be received and considered before final action is taken. Regardless of what policy the Congress ultimately decides to adopt on this subject, careful consideration of legislation in this area would appear to be warranted.

Accordingly, for the reasons indicated, we respectfully recommend that action on the amendment to H.R. 7964 be deferred until hearings have been held and interested parties have been given an opportunity to express their views.

The Office of Management and Budget has advised that there is no objection to the submission of this report to the Committee from the standpoint of the Administration's program.

Sincerely,

WINTON M. BLOUNT.

BOARD OF EDUCATION OF THE  
DISTRICT OF COLUMBIA,  
Washington, D.C., May 13, 1971.

HON. THADDEUS J. DULSKI,  
Chairman, Committee on Post Office and Civil Service, House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN DULSKI: Although the District of Columbia Teachers' Retirement System is separate from the Civil Service Retirement System, it is practically identical to the Civil Service System and as a matter of Congressional policy, it is kept consistent with the Civil Service System. [See Senate Report No. 91-839 and House Report No. 91-849 on the District of Columbia Retirement Amendments of 1970 (P.L. 91-263)]. Thus under present law, Teacher Retirement Act annuities as well as Civil Service annuities are adjusted whenever the Consumer Price Index shows a three percent increase over the base amounts for three consecutive months. Such adjustment is scheduled for June 1, 1971. Present employees who have sufficient credit to retire must retire on or before May 31 in order to be entitled to this cost-of-living adjustment.

The school educational employee who is eligible to retire is currently placed in a very unfortunate position. It would be to his monetary advantage to retire on or before May 31, but it is to the advantage of the school system to have such person complete the full school year. It is, therefore, strongly recommended that in the best interest of the school system legislation should be enacted which would allow employees who retire on or after June 1, 1971, to receive the same annuity increment as granted those who retire prior to June 1.

Enactment of such legislation will remove an arbitrary cut-off date and thereby allow school employees to retire at the conclusion of the school year without loss in retirement benefits.

Because of the Congressional policy of keeping benefits under the District of Columbia Teachers' Retirement Act consistent with those afforded the classified employees of the Federal and District of Columbia Government by the Civil Service Retirement Act, I would like to urge your committee to include appropriate D.C. Teachers' Retirement Act amendments in the same bill which amends the Civil Service Retirement Act. In this way, the D.C. Teachers' Retirement Act amendments could become effective at the same time as the Civil Service Retirement Act amendments.

In this particular case, a change in the D.C. Teachers' Retirement Act would need to be made almost concurrently with amendments to the Civil Service Retirement Act if school employees are to have the same benefits as are available to Civil Service employees. If there is a time lag in passage, some teachers will have had to make their retirement decision without the option this suggested legislation would provide.

We, therefore, urge that consideration be given to incorporating into the Civil Service Retirement amendments, identical amend-

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ments to the District of Columbia Teachers' Retirement Act so that the latter act may be amended as expeditiously as possible in conformity with Congressional policy to provide school personnel with the same retirement benefits as Civil Service employees.

Sincerely yours,

(Mrs.) ANITA F. ALLEN,  
President, Board of Education.

Mr. WALDIE. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New Jersey (Mr. DANIELS), chairman of the Subcommittee on Retirement, Insurance and Health Benefits.

Mr. DANIELS of New Jersey. Mr. Speaker, having had the honor of chairing the Subcommittee on Retirement, Insurance, and Health Benefits in the three previous Congresses and, thus, having played a large role in the enactment of legislation updating the automatic cost-of-living and financing provisions of the civil service retirement law, I rise in support of H.R. 7964, as amended by the Committee on Post Office and Civil Service.

Perhaps a brief review of the legislative history underlying the particular provisions to which we are today addressing ourselves may be of assistance in evaluating the merits of the Committee's proposal.

First, the cost-of-living annuity adjustment feature of the law was initially established by the 1962 amendments to the Retirement Act. It provided that whenever the Consumer Price Index of the Bureau of Labor Statistics shall have risen by an average of 3 percent or more for a full calendar year above its average for 1962, a comparable percentage increase would have become effective on April 1 of the following year. It also provided similar increases when a like increase in living costs might occur in subsequent years, but stipulated that any such increases would apply only to those persons who had been on the retirement rolls at the beginning of the calendar year preceding the year in which the increase would become effective—a period of 15 months.

By mid-1965 it became apparent that the cost-of-living provision had not operated as effectively as was anticipated in 1962, and that while living costs were steadily rising, annuitants would receive no increase until April of 1966. As its first order of business, the newly created Subcommittee on Retirement, Insurance, and Health Benefits devoted its attention to correcting that obviously disappointing result by approving legislation to accelerate the effective application of the cost-of-living principle to a more sensitive monthly price index indicator, in lieu of the existent unrealistic average calendar year indicator. The revision, subsequently enacted as Public Law 89-205, provided for reflecting cost-of-living adjustments more currently—or whenever the Consumer Price Index rises by 3 percent or more for 3 consecutive months after any previous increase resulting from this feature.

However, gearing the provision to a monthly indicator gave rise to the question of applicability—that is, how long should a person be on the annuity rolls before he or she might derive the benefit of a cost-of-living increase? Should he

be required to have been an annuitant for 15 months, 1 year, 6 months, or less, in order to enjoy the benefit of the changes proposed? After thoroughly considering various alternatives, it was the consensus of the Members of the 89th Congress that the question of applicability be resolved in the most liberal and administratively feasible manner—namely, that any such increases be applied to all annuities which commence on or before the effective dates of the adjustments. By prescribing such a policy we placed the employee in a position of being able to make his own considered judgment as to when it might be most appropriate and advantageous to exercise his option to retire. Essentially, it is this liberal policy which gives rise to the situation we are attempting to alleviate by H.R. 7964.

Second, the 91st Congress addressed itself to a long-standing problem—the financial condition of the Civil Service Retirement System. The enactment of Public Law 91-93, on October 20, 1969, established a three-pronged program designed to provide in full for the permanent financing of the system, so as to assure that the necessary money is available when needed to pay the annuities of Government retirees and survivor annuitants—in full and on time.

One of the major provisions of that legislation dealt with the recognition of currently accruing retirement costs, such as the costs of future incremental unfunded liabilities which will result from general salary increases for the active work force. In essence, the Congress takes cognizance of the fact, when enacting salary increase legislation, that each dollar of increased pay has an eventual retirement cost of more than \$2.50. By recognizing such related costs, the Congress assumes full responsibility for the additional deficiencies it thus creates in the retirement fund. It fulfills that responsibility by authorizing direct appropriations to the fund, amortizing those additional costs in equal annual installments over 30-year periods. The effect of this particular funding practice precludes further deficiencies that would otherwise result, as distinct from growth of the existing unfunded liability attributable to legislation enacted in the past and for which adequate financing was not provided.

Since the enactment of Public Law 91-93 the Congress, through its appropriations process, has been living up to its commitments to amortize the retirement costs it incurs by granting salary increases. In other words, we are exercising fiscal responsibility with respect to our own actions—actions over which the Congress is able to exercise a control. However, passage of the Postal Reorganization Act last year divested the Congress of its control over the pay-fixing authority for employees of the new Postal Service. Such authority is now vested in the U.S. Postal Service, with Congress no longer being a party to pay increases negotiated by employee-management agreements or by administrative action on the part of the Postal Service. Concurrently, the Congress divested itself, at least by implication, of any responsibility for financing the retirement

costs which will ultimately result from negotiated wage agreements and administrative salary increases in that independent agency.

It is to this particular problem that the committee's amendment to the introduced bill is addressed. I wish to commend and congratulate the distinguished gentleman from Iowa (Mr. GROGG), the ranking minority member of the committee, for his foresight and good judgment in offering the amendment which remedies a deficiency in the Postal Reorganization Act and reaffirms the committee's policy, as subscribed to under Public Law 91-93, that any new unfunded liabilities which result from increases in salaries shall be recognized and paid for by the party responsible for their creation. Under the amendment, the costs so incurred will, and properly so, be borne by the U.S. Postal Service.

Mr. Speaker, I urge the unanimous adoption of H.R. 7964.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. WALDIE. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GROGG. Mr. Speaker, will the gentleman yield?

Mr. DANIELS of New Jersey. I am pleased to yield to the gentleman from Iowa, the ranking minority member of the committee.

Mr. GROGG. I should like to commend the gentleman for the excellent job he and his subcommittee did in the last Congress, when he and his subcommittee secured the enactment of Public Law 91-93.

I would also like to ask the gentleman if it is not true that if the amendment to this bill is not passed the Postal Service will not be paying the true cost of future pay raises given to postal employees?

Mr. DANIELS of New Jersey. I would say the gentleman's observation is absolutely correct.

Mr. GROGG. Is it also not true, because of the specific wording of Public Law 91-93, that some interpretation could now be made that the future unfunded liabilities created by the Postal Service might not be paid at all?

Mr. DANIELS of New Jersey. I agree that such an interpretation could be made. The committee amendment, of course, is specifically designed to preclude such a possibility.

I want to compliment and congratulate the gentleman from Iowa for his good judgment in proposing the amendment to this bill.

Mr. GROGG. And I am sure the gentleman from New Jersey is fully aware of the bonuses which the Postmaster General intends to give to all postal employees in the headquarters and regions who retire between May 15 and June 16, and that these bonuses are in addition to the 4½-percent cost-of-living increase. Does the gentleman not agree if the Postal Service can find the money to pay these unwarranted and unearned bonuses that it can find the money to pay its own debts to the Civil Service retirement fund?

Mr. DANIELS of New Jersey. I do understand, from what I heard over the weekend, that the Postmaster General



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does propose to pay a half-year's salary to those employees who are involved in his reduction in force.

I wholeheartedly agree with the gentleman that provision should be made in this law that future unfunded liability should be paid by the Postal Service. Again I commend the gentleman for his foresight and good judgment in proposing the amendment which would make it specifically clear as to the liability of the new Postal Corporation.

Mr. GROSS. I thank the gentleman very much.

Mr. WALDIE. Mr. Speaker, I have no requests for additional time.

Mr. SCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. BROYHILL).

Mr. BROYHILL of Virginia. Mr. Speaker, I rise in support of H.R. 7964. I am one of the cosponsors of this legislation, and I was one of the original proponents of the purpose of the bill, having first introduced similar legislation in 1969.

I am speaking mainly, Mr. Speaker, about section 1 of the bill, which corrects a very serious inequity in existing law. It is a rather silly and ridiculous inequity.

When Congress first provided for automatic increases in civil service annuities whenever the cost of living, as determined by the nationwide Consumer Price Index, equals a rise of at least 3 percent over the index for the month on which the most recent increase was based, we overlooked an inequity we were creating which has adversely affected thousands of our retired civil servants since that year, 1965.

Under the automatic cost-of-living statute, increases were authorized in 1965, 1967, 1968, twice in 1969, and 1970. Another increase of 4.5 percent is scheduled for June of this year. But in order to be eligible for this coming increase, an employee must, under existing law, retire no later than May 31. Similarly, for the widow of an active employee to be entitled to the increase, her husband must die before June 1. For if an employee continues in Federal employment beyond May 31 and retired or dies thereafter, he or his widow will receive an annuity benefit smaller than they would have received before the May 31 increase.

The present law has proven injurious to both the Government and the retirees adversely affected. On each occasion when a cost-of-living adjustment as been triggered, many employees who planned to retire at an indefinite period within the next few months, have pushed their retirement date forward in order to obtain the additional benefits, causing a tremendous workload on the Civil Service Commission in processing retirements, serious delays in adjudication of annuity claims and commencement of benefit payments, and sudden loss in many agencies of too many valuable employees who decide to retire on short notice without completing projects on which they are working. I understand that during the 2 months period immediately prior to the August increase last year, there were 29,000 retirements as compared to an average 9 to 10,000 every 2 months.

If an employee, because of devotion to his Government and to the project on which he is working, chooses to remain to its completion, he not only loses the benefit of the cost-of-living adjustment initially, but it may be up to 10 months or more before his increased service and probably larger high 3-year average would offset the adjustment he has lost.

Mr. Speaker, I had hoped this legislation would reach the floor under a rule permitting amendments, as I have heard many expressions of concern from teachers in the District of Columbia who would like to have been included in its provisions. Were it possible for me to do so, I would have offered an amendment to include them, as they are particularly vulnerable to the provisions of the existing laws because their contracts terminate each June 30, making it necessary for them to either retire 1 month before the end of the school year or be penalized for not doing so. I am hopeful that our colleagues in the other body will have time to consider their plight, and will be able to include them along with our Federal employees in the provisions of this legislation.

Mr. Speaker, I believe this is a good bill, and long overdue. And I urge its enactment.

Mr. SCOTT. Mr. Speaker, I yield the gentleman from Iowa (Mr. Gross) such time as he may consume.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I will take but little time on this bill. The bill and the committee amendment have been adequately explained and, as indicated, the amended bill was reported unanimously from our committee by a record vote of 19 yeas and no nays.

With respect to the committee amendment, I would like to simply observe that its intent is strictly in line with the general intent of the Postal Reorganization Act—that the Postal Service be self-sustaining. Certainly, it is entirely consistent with all of the numerous public statements made by the Postmaster General that the new Postal Service should not in any way be subsidized through the use of general funds of the Treasury. In fact, the limited public service and "revenue foregone" appropriations that were authorized in the legislation finally enacted were included over his strenuous objections. Therefore, it would seem to me that if the Postmaster General were to be entirely consistent, he would endorse the committee amendment instead of opposing it, which I understand he is now doing.

In this connection, I might also point out that there has been some speculation in the press and elsewhere that the committee amendment might delay the bill so that it cannot be enacted and become effective prior to the June 1 cost-of-living annuity increase. Since the Senate has already passed the bill, I see only one possible reason why this legislation cannot be enacted and sent to the President for his signature prior to June 1. That reason is the refusal of the Senate to accept the House amendment by reason of opposition to it by the Postmaster General.

I hope that such is not the case and that the Postmaster General will not now oppose the self-sustaining concept for the Postal Service that he so vigorously and consistently advocated over a period of nearly 2 years.

However, if by opposing the amendment and a conference is required with the Senate and if the legislation is delayed beyond June 1, then I think it is most appropriate that the blame be placed where it rightly belongs. The record is certainly clear that the House is acting promptly and responsibly.

Mr. SCOTT. Mr. Speaker, I have no further requests for time.

Mr. WALDIE. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. WALDIE) that the House suspend the rules and pass the bill H.R. 7964, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. WALDIE. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 1681) to liberalize eligibility for cost-of-living increases in civil service retirement annuities.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1681

An act to liberalize eligibility for cost-of-living increases in civil service retirement annuities

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8340(c) of title 5, United States Code, is amended—*

(1) by renumbering paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively; and

(2) by inserting immediately above paragraph (2) (renumbered as such by paragraph (1) of this section), the following new paragraph:

"(1) An annuity (except a deferred annuity under section 8338 of this title or any other provision of law) which—

"(A) is payable from the Fund to an employee or Member who retires, or to the widow or widower of a deceased employee or Member; and

"(B) has a commencing date after the effective date of the then last preceding annuity increase under subsection (b) of this section;

shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under subsection (b) of this section. In the administration of this paragraph, an employee or a deceased employee shall be deemed, for the purposes of section 8339(m) of this title, to have to his credit, on the effective date of the then last preceding annuity increase under subsection (b) of this section, a number of days of unused sick leave equal to the number of days of unused sick leave to his credit on the date of his separation from the service."

May 17, 1971

SEC. 2. The amendments made by this Act shall apply only with respect to annuities which have a commencing date after the effective date of the first annuity increase under section 8340(b) of title 5, United States Code, which occurs on or after the date of enactment of this Act.

#### AMENDMENT OFFERED BY MR. WALDIE

Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. WALDIE: Strike out all after the enacting clause of S. 1631 and insert in lieu thereof the provisions of H.R. 7964 as passed by the House.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7964) was laid on the table.

#### GENERAL LEAVE

Mr. WALDIE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 7964 and to include extraneous matter in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### TO PROVIDE FOR A NATIONAL ENVIRONMENTAL DATA SYSTEM

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 56) to amend the National Environmental Policy Act of 1969, to provide for a national environmental data system, as amended.

The Clerk read as follows:

#### H.R. 56

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the National Environmental Policy Act of 1969 (Public Law 91-190) is amended by adding at the end thereof the following new title:

#### "TITLE III

##### "NATIONAL ENVIRONMENTAL DATA SYSTEM

"SEC. 301. This title may be cited as the 'National Environmental Data System Act'.

"SEC. 302. For the purpose of this title—

"(1) The term 'Data System' means the National Environmental Data System established by this title. The system shall include an appropriate network of new and existing information processing or computer facilities both private and public in various areas of the United States, which, through a system of interconnections, are in communication with a central facility for input, access, and general management. It shall also include all of the ancillary software and support services usually required for effective information system operation.

"(2) The term 'Council' means the Council on Environmental Quality established in title II of this Act.

"(3) The term 'environmental quality indicators' means quantifiable descriptors of environmental characteristics which will measure the quality of the environment.

"(3) The term 'environmental quality indicators' means quantifiable descriptors of environmental characteristics which will measure the quality of the environment.

"(4) The term 'information, knowledge, and data' shall be interpreted as including those facts which are significant, accurate,

reliable, appropriate, and useful in decision-making in environmental affairs.

"SEC. 303. (a) There is hereby established a National Environmental Data System.

"(b) The purpose of the Data System is to serve as the central national coordinating facility for the selection, storage, analysis, retrieval, and dissemination of information, knowledge, and data relating to the environment so as to provide information needed to support environmental decisions in a timely manner and in a usable form. Such information as shall be deemed appropriate and useful for the achievement of the purpose of the system shall be made available by all Federal agencies, private institutions, universities, and colleges, State and local governments, individuals, and any other source of reliable information.

"(c) Information and data shall also be sought from international sources such as foreign governments, the United Nations, and other international institutions; and the President is encouraged to enter into such agreements as may be necessary to accomplish this purpose.

"SEC. 304. (a) The information, knowledge, and data in the Data System and the analysis thereof shall be made available on request without charge—

"(1) to the Congress and all the agencies of the legislative and executive branches of the Federal Government, and

"(2) to all States and political subdivisions thereof, except that, in any case where it is determined that the service requested is substantial, the payment of such fees and charges may be required as may be necessary to recover all, or any part, of the cost of providing such retrieval service.

"(b) The information, knowledge, and data in the Data System and the analysis thereof shall be made available to private persons and entities—

"(1) upon payment of reasonable fee and charges as may be established as necessary to recover the cost of providing such retrieval service; and

"(2) subject to such terms and conditions as is deemed necessary to protect the interests of the United States.

"(c) In all instances the Data System shall perform its functions so as to protect secret and national security information from unauthorized dissemination and application.

"SEC. 305. (a) There is hereby created the position of National Environmental Data System Director, who shall be appointed by the President to serve at his pleasure, by and with the advice and consent of the Senate. The Director shall be a person who, as a result of his training, experience, and attainment, is exceptionally well qualified to analyze and interpret environmental data of all kinds and to appreciate its significance in the management of natural resources as required for the purpose of this Act. He shall serve full time and be compensated at the rate provided for level V of the Executive Schedule pay rates (5 U.S.C. 5313).

"(b) It shall be the function of the Director to—

"(1) administer and manage, under the guidance of the Council, the operations of the Data System in all of its ramifications,

"(2) institute a study to evaluate and monitor the state of the art of information technology and utilize to best advantage new and improved techniques for accomplishing the purposes of this Act,

"(3) utilize knowledge developed during such study to develop criteria and guidelines to govern the selection of data as to scope, scientific validity, quantity, and quality, to be incorporated into the National Environmental Data System network, including the development of predictive ecological models,

"(4) develop and implement a plan to establish and maintain the environmental information network anticipated to accomplish the purposes of this Act,

"(5) develop, establish, and maintain, as necessary, general standards which will permit and facilitate the compatibility and integration of existing and new information systems bearing on the environment to make them consonant and cooperative with the central facility established by this Act, and

"(6) develop and publish from time to time environmental quality indicators for all regions of the United States, including its coastal and contiguous zones, and for internationally significant environments such as the atmosphere and the oceans.

"(c) In carrying out his functions under this Act, the Director shall, to the fullest extent possible, provide the Council with statistical data and other information necessary for the preparation of the annual report of the Council required under section 201 of this Act, and in the development of long-range programs for the enhancement of the environment.

"SEC. 306. (a) The Director may employ such other officers and employees as may be necessary (1) for the efficient administration, operation, and maintenance of the Data System, and (2) to carry out his functions under this title.

"(b) The Director is authorized to provide such lawful incentives as may be required to achieve the purposes of this Act. These incentives may include, but shall not be limited to, grants of money, exchanges of information, sharing of facilities, specialized advice, programs and formats, and other like incentives. The Director shall also be authorized to enter into contracts with universities, individuals, and State and local governments, when needed, and to purchase information, data, and personal services as required to fulfill its purposes. He is also authorized to employ consultants as required.

"SEC. 307. (a) The head of each department, agency, or instrumentality in the executive branch of the United States Government shall make available to the Data System such information, knowledge, and data on the environment which such department, agency, or instrumentality may have as a result of its operations. Such information, knowledge, and data shall be made available for incorporation into the Data System, as the Director deems appropriate as soon as possible after it becomes known to such department, agency, or instrumentality.

"(b) In the administration of all Federal programs resulting in financial assistance to any cooperative international study or to any State, political subdivision, or other public or private entity, and, in all contracts in which the United States is a party, the head of the department, agency, or instrumentality administering such program, on entering into such contract, shall take such action as may be necessary to insure that information, knowledge, and data on the environment which either directly or indirectly results from such Federal financial assistance or contract will be made available to the Data System as soon as possible after it becomes known. In respect to federally assisted environmental programs conducted by foreign nations, it shall be the policy of the United States Government to encourage, to the fullest extent possible the availability to the Data System of such information, knowledge, and data arising from these programs which is appropriate to the purposes of the system.

"(c) The head of each department, agency, and instrumentality in the executive branch of the United States Government shall, to the fullest extent possible, permit the Data System Director to use, on a mutually agreeable basis, including the payment of compensation, personnel, facilities, computers, data processing, and other equipment within such department, agency, or instrumentality in carrying out its functions under this title; and, to the fullest extent possible, such computers, data processing, and other equipment shall be made compatible with all others in, and available for use by, the Data System.

Mr. CONABLE. I thank the chairman. Mr. Speaker, I want to add my voice to these tributes to Ed Craft on the occasion of his retirement. He must have had great satisfaction in his demanding work, because his hand has now long been a major factor in the law of the land. He has worked under great pressure, but has never sacrificed excellence to the exigencies of time and the volume of legislation that has flowed from his drafting room. I admire a man who can bring Ed Craft's objectivity to such a central role in government, who can maintain his standards while serving so many legislators and who can sustain cheerfulness and equanimity in the face of constant pressure and change.

I salute Ed Craft, with all those who have admired his work, and wish him a most rewarding retirement.

Mr. MILLS of Arkansas. Mr. Speaker, I yield to the distinguished member of the committee, the gentleman from California (Mr. PETTIS).

Mr. PETTIS. I thank the distinguished gentleman for yielding. I wish to join my colleagues in this tribute to Ed Craft.

As a member of the Committee on Ways and Means, I want to acknowledge personally the untiring and excellent efforts of Edward O. Craft, the legislative counsel of the House for the past 10 years and a valued employee of this body for 31 years.

Our committee's legislation, as all of us are very much aware, is usually anything but simple, and the drafting problems associated with it are great. In this connection, Ed Craft's work has been difficult, indeed, during the 20 years he has worked closely with Ways and Means, and all of us on the committee are thoroughly appreciative of his labors on our behalf.

He will be missed, but we wish him well in his richly deserved retirement.

(Mr. PETTIS asked and was given permission to revise and extend his remarks.)

Mr. SCHNEEBELI. Mr. Speaker, December of 1941 was a tragic month for the Nation, because of the Japanese attack on Pearl Harbor. But for the House of Representatives, it was a month with at least one happy event. For on December 5, Ed Craft came to work in the legislative counsel's office, and ushered in a new and better era in that sector of this body's work.

The legislative counsel's office will bear the stamp of his unsurpassed efforts for many Congresses to come. He has graced the office throughout his 31 years with a remarkable diligence and stamina and with a never-ending pursuit of accuracy and nonpartisanship. We on the Ways and Means Committee particularly are grateful for his service. He has worked with us since 1950 on major legislation, and we will sorely miss him.

tionably well-deserved rest, and our

He has earned, however, an unquestionably well-deserved rest, and our fondest hopes go with him. Ed has taken his vacation for a long time near my district in Pennsylvania, and on a personal note, I hope he will now be able to spend much more of his time in that area, where I am hopeful I may visit him

to bring him up to date in what his former colleagues are doing.

Mr. BROYHILL of Virginia. Mr. Speaker, Edward O. Craft is a rare man, indeed. He has a genuine gift for objectivity, a passion for accuracy, and an unerring eye for nonpartisanship. All of these characteristics have served him well in the legislative counsel's office for the past 31 years.

His quality of service has been exceptionally high and it is doubtful we shall see his like again. All of us on the Ways and Means Committee are grateful for his efforts in connection with our tax, trade, and social security legislation over the past 21 years, and our best wishes go with him as he embarks upon his amply merited retirement.

Mr. DUNCAN. Mr. Speaker, Edward O. Craft has made his mark upon the work of the House in general, and upon the Ways and Means Committee in particular. As a member of that committee, I join my colleagues in expressing appreciation of his important contribution to our legislative efforts over two-score years, and in wishing him well in his retirement.

He came to work in the legislative counsel's office in December of 1941, and in the intervening years has established a standard of excellence toward which others strive. His personal record will be difficult to surpass.

Mr. COLLIER. Mr. Speaker, I join my colleagues in praising the work of Ed Craft, our legislative counsel, and in wishing him the very best in his retirement years. Members of the Ways and Means Committee are particularly mindful of his superlative abilities as a draftsman of difficult and intricate legislation, and we will miss him greatly.

But, we are mindful also that Ed has served 31 years in the House and has worked with us in the committee for more than 21 of those years. In a broad sense, he has given a great deal of his life to the House, and in a narrower sense, he has given much of that to Ways and Means.

His absence will be marked, but we rejoice with him in his departure for the good life of retirement.

Mr. BROTZMAN. Mr. Speaker, men such as Edward O. Craft come along all too infrequently, as the entire Ways and Means Committee has good reason to know. He has performed a truly monumental service for the committee for about two-thirds of his 31 years with the House, and every member of our committee has mixed feelings about his retirement. We are sorry to lose him, but glad to see him enter a new and more relaxing period of life.

Fortunately for all of us, the legislative counsel's office under his leadership has been, and will continue to be, an extremely capable arm of the House. He has set a uniquely fine example in his post.

#### GENERAL LEAVE

Mr. MILLS of Arkansas. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legisla-

tive days within which to extend their remarks on the retirement of Mr. Craft at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

#### APPOINTMENT OF WARD M. HUSSEY, LEGISLATIVE COUNSEL OF U.S. HOUSE OF REPRESENTATIVES

The SPEAKER. The Chair announces to the House that, pursuant to section 521 of the Legislative Reorganization Act of 1970 (2 U.S.C., sec. 282), he has appointed Ward M. Hussey Legislative Counsel of the U.S. House of Representatives, effective March 1, 1972.

#### PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

#### APPOINTMENT OF CONFEREES ON S. 671, DIVISION AND DISPOSITION OF FUNDS APPROPRIATED TO PAY A JUDGMENT IN FAVOR OF THE BLACKFEET TRIBE AND THE GROS VENTRE TRIBE OF MONTANA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 671) to provide for division and for the disposition of the funds appropriated to pay a judgment in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., and the Gros Ventre Tribe of the Fort Belknap Reservation, Mont., with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none, and appoints the following conferees: Messrs. ASPINALL, HALEY, MELCHER, STEIGER of Arizona, and TERRY.

#### CONSENT CALENDAR

The SPEAKER. The Chair will announce that this is Consent Calendar day, and the Chair cannot accept unanimous-consent requests until the Consent Calendar has been called.

The Clerk will call the first bill on the Calendar.

#### DISASTER LOANS

The Clerk called the joint resolution (H.J. Res. 893), to amend the Disaster Relief Act of 1970 to authorize disaster loans with respect to certain losses arising as the result of recent natural disasters, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. HALL. Mr. Speaker, reserving the right to object, I would like to say that because the RECORD was misprinted or garbled on the last Consent Calendar day, this particular joint resolution does not meet the categorical requirements for the Consent Calendar in at least two different instances. First, it does not meet the category for consideration under unanimous consent as agreed to by the full House and recommended by the chairman of the majority of Senate committee members during the organization of the House in the beginning of the 92d Congress in that it exceeds over \$1 million in not only 1972, but 1973 and 1974.

Second, Mr. Speaker, it does not have any departmental views given.

Therefore, Mr. Speaker, I again ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### REPEALING THE "COOLY TRADE" LAWS

The Clerk called the bill (H.R. 213), to repeal the "cooly trade" laws.

There being no objection, the Clerk read the bill as follows:

H.R. 213

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 2158-2163, Revised Statutes, and sections 1, 2, and 4 of the Act of March 3, 1875 (ch. 141, 18 Stat. 477) (8 U.S.C. 331-339), are hereby repealed.*

(Mr. MATSUNAGA asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MATSUNAGA. Mr. Speaker, I rise as the author and introducer of H.R. 213, to urge its passage. This House, to its great credit, passed similar legislation in the 89th Congress and again in the 90th Congress, but in each instance the legislation was not acted upon by the Senate before final adjournment.

I wish at the outset to thank and commend the distinguished gentleman from New Jersey (Mr. RODINO), chairman of the subcommittee of the Committee on the Judiciary, for the leading role which he assumed in reporting this measure to the floor. I wish also to express my appreciation to Chairman Celler and members of his committee for the expeditious and unanimous support they gave the measure. It is with fervent hope and optimism that I look forward to favorable action by the other body on this long overdue legislation.

The so-called cooly trade laws were enacted by Congress in 1862 and 1875 to correct the then widespread practice of exploiting persons of oriental descent, particularly Chinese and Japanese, in connection with their procurement abroad for importation into the United States to be held in service as servants or apprentices. Criminal sanctions were imposed on those who were found guilty of such practice. These laws have remained in our statute books to this day.

However commendable they may have been at the time, and, for no effective reason, they have remained. Further, they demean Chinese immigrants and their descendants who appear before our statutes to be unnecessary.

The purpose of the bill is to cause of and its are per- ican in the feel- who live of H.R. racial t promote United

In view the Pre tend to lations there c present these o visit to President immedia ington from mainland China.

Accordingly, Mr. Speaker, I strongly urge a unanimous vote today in favor of H.R. 213.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### AMENDING THE IMMIGRATION AND NATIONALITY ACT

The Clerk called the bill (H.R. 6420) to amend the Immigration and Naturalization Act.

There being no objection, the Clerk read the bill as follows:

H.R. 6420

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 344(C) of the Immigration and Naturalization Act (8 U.S.C. 1455(c)) is amended by striking out "\$6,000" in the two places it appears and inserting in lieu thereof "\$15,000".*

With the following committee amendment:

On page 1, beginning on line 3, strike out the following language "section 344(C) of the Immigration and Naturalization Act" and substitute in lieu thereof the following: "section 344(c) of the Immigration and Nationality Act".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to amend the Immigration and Nationality Act".

A motion to reconsider was laid on the table.

#### SURVIVOR ANNUITIES UNDER CIVIL SERVICE RETIREMENT PROGRAM FOR CERTAIN CHILDREN ADOPTED BY SURVIVING SPOUSE AFTER DEATH OF EMPLOYEE OR MEMBER

The Clerk called the bill (S. 2896) to amend chapter 83 of title 5, United States Code, relating to adopted child.

There being no objection, the Clerk read the bill as follows:

S. 2896

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8341(a) (3) (A) of title 5, United States Code, is amended by inserting before the semicolon the following: ", and (iii) a child who lived with and for whom a petition of adoption was filed by an employee or Member, and who is adopted by the surviving spouse of the employee or Member after his death".*

Sec. 2. The amendment made by the first section of this Act is effective upon enactment. Upon application to the Civil Service Commission, it also applies to a child of an employee or Member who died or retired before such date of enactment but no annuity shall be paid by reason of the amendment for any period prior to the date of enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,

February 18, 1972.

The Honorable the SPEAKER,  
House of Representatives.

DEAR SIR: The Clerk of the House of Representatives received on February 16, 1972 from the U.S. Marshal, a copy of the summons in a Civil Action together with the complaint filed by Ralph Nader and Public Citizen, Inc. v. several Government officials as defendants, including W. Pat Jennings, Clerk of the House of Representatives, United States House of Representatives, in Civil Action File No. 243-72 in the United States District Court for the District of Columbia.

The summons requires an answer to the complaint within sixty days after service, and both documents are attached herewith.

Pursuant to 2 U.S.C. 118, I have written to the Acting Attorney General of the United States and to the U.S. Attorney for the District of Columbia (copies of letters attached), requesting that they carry out their assigned statutory responsibilities in defending the Clerk of the House in this matter.

Sincerely yours,

W. PAT JENNINGS,

Clerk, House of Representatives.

WASHINGTON, D.C.,

February 18, 1972.

HON. HAROLD H. TITUS, JR.,  
U.S. Attorney for the District of Columbia,  
U.S. Courthouse, Washington, D.C.

DEAR MR. TITUS: I am sending you a copy of a summons and complaint in a Civil Action No. 243-72, filed against several Government officials as defendants, including W. Pat Jennings, Clerk of the U.S. House of Representatives, in the United States District Court for



DATE 7 May 71

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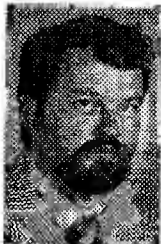
**The Federal Diary**

THE WASHINGTON POST Friday, May 7, 1971

D17

# House Move Imperils Retirement Bill

By  
Mike  
Causey



A plan to eliminate retirement bonus deadlines for federal workers was crippled yesterday in a surprise move by the House Post Office and Civil Service Committee.

The action may not kill the administration-backed bill. But it could delay final approval until after May 31. That is the present deadline would-be retirees must meet if they want to qualify for a 4.5 per cent annuity bonus. Here is what happened:

The Committee met for what was to be routine approval of a bill by Chairman Thaddeus J. Dulski (D-N.Y.). It would eliminate cost-of-living cutoffs, permit eligible workers to quit after such a raise went into effect and still get the benefits. Idea is to end the paperwork logjam that always develops when an annuity increase becomes effective.

To the surprise of most members, however, Rep. H. R. Gross (R-Iowa) had an amend-

ment ready. Introduced for him by Rep. William L. Scott (R-Va.), the rider requires the soon-to-be-independent U.S. Postal Service to pay for future unfunded liability costs that affect the federal retirement system because of postal pay raises. It would cost the postal service a considerable amount of money.

Committee members, angry at Postmaster General Winton M. Blount, approved the Gross rider (no pun intended) 14 to 5. So it now is part of the Dulski plan.

Retirement Subcommittee Chairman Jerome J. Waldie (D-Calif.) argued, in vain, against the plan. While it may have merit, Waldie pleaded, tacking it to the Dulski bill is not appropriate and could delay or kill it. The Committee disagreed.

Although the administration hasn't had time to comment on the amendment, the U.S. Postal Service will certainly oppose it. That means the Dulski bill faces a possible White House veto now, even though Mr. Nixon likes the original measure.

If the Senate can hurry through its own version, minus the Gross amendment, and the House will approve that, there is still time to beat the May 31 deadline. But if

anything goes wrong—and that happens often on Capitol Hill—the measure could go down the drain. At any rate, it could be enacted too late to eliminate the May 31 deadline.

Best advice to federal workers planning retirement is to keep an eye on the situation. If it becomes clear something can be worked out in time, they can retire later this year and still get the minimum 4.5 per cent. If it runs into any more trouble, they had better plan to leave by May 31.

The purpose behind the Gross amendment, apparently, is partly fiscal control and partly a slap at the Postmaster General. Blount has won few friends on Capitol Hill during his term.

Many members don't like Blount's attitude, which they say is high-handed. He has also committed the politically dangerous sin of talking back to wise-cracking congressmen in public, when reporters are around to pass it on.

Meantime, backers of the original Dulski bill are talking with key people in the House, Senate and Civil Service Commission, to see if it can be saved. They would like to pull it out of the fire before May 31. Otherwise, an estimated 30,000 people may retire that day, blocking the govern-

ment's already stuffed paperwork pipeline.

Air Force has withdrawn a dozen-plus layoff (RIF) notices that had gone to employees of its Aerospace Audio Visual Services group here. Workers were originally told to be somewhere else by July 1. They also got the rumor that military men were being brought in to replace them.

AF denies it ever planned to militarize the operation. But it did cancel the RIFs for those employees, although other civilian and military jobs have been and are being abolished.

**Suspicious Type:** A Navy civilian called to verify Thursday's story that the Ship Engineering Center won't be moving from Prince George's County to Arlington. "How can I be sure it's true?" the man asked.

We suggested that the word of Rep. Larry Hogan, Sens. J. Glenn Beall Jr., Charles McC. Mathias and Assistant Defense Secretary Robert F. Froehlke ought to be good enough. Besides, we pointed out, it was printed in The Washington Post. "Who else can I call to check it?" he asked. He didn't give us his name, Mr. Nixon, but we gave him your telephone number since it is in the book.

**The Federal Diary**

# Retirement Plan Runs Into Trouble



By  
**Mike  
Causey**

Federal union leaders held a late season planting session yesterday, hoping their efforts will sprout into liberalized government retirement programs sometime next spring.

The Nixon administration observed the ceremony, before the House Retirement Subcommittee. A spokesman said it is for any benefit that doesn't cost money, an approach which eliminates all but a pending White House bill.

The subcommittee, normally most cordial to union leaders (and conversely hard on the administration) did an about-face, with a different set of Congressional attendees temporarily at the helm.

Instead of praising the union men for their "dynamic" actions, "illuminating" testimony and "informative" research, they jumped on some for being white knights who don't want to get their armor dirty.

Purpose of the hearings was to consider the so-called 80-year formula bill, a proposal for retirement after 20 years service and another allowing retirement at any age after 30 years in government.

Civil Service Commission's **Thomas A. Tinsley** for the administration, said he favors only a White House bill that would permit expanded optional early retirement opportunities in agencies facing major job cutbacks. It would permit retirement, on reduced annuity, for workers with 25 years service, or at age 50 with 20 years service in agencies undergoing a RIF (reduction-in-force).

As expected, the Administration turned thumbs down to the 80-year-old formula proposed by Rep. Dominick V. Daniels, (D-N.J.). It would allow employees to retire when their federal service and age (in any combination) added up to 80 years.

Tinsley, deputy director of the federal retirement-insurance program, said the 80-for-

mula could cause serious management problems in government. He estimated that if it passed, nearly 400,000 present employees could immediately qualify for retirement and that 12 to 13 per cent of that number would get out the first year.

What would probably happen, Tinsley said, is that the most talented of the federal workforce would quit for second careers in industry while "Marginal employees who could not readily find outside employment" would hang on to government jobs.

But cost is the major administration complaint against the 80-year formula. CSC estimates it would require 30 yearly appropriations of \$502 million needed to pay off the unfunded liability of the CS retirement fund. That liability, of benefits promised but not paid for, would go up an estimated \$8.1 billion if the 80-formula became law.

The unaccustomed fireworks came when Rep. **William L. Scott** (R-Va.) jumped on Letter Carriers union chief **James H. Rademacher**. He normally gets VIP treatment from subcommittee members. But his fans were absent yesterday and Scott and acting chairman **Bill Chappell** (D-Fla.) dropped the courtesy routine.

Scott said that Rademacher, who advocated optional early retirement for all federal workers, wanted additional costly benefits but wasn't prepared for employees to pay more to get them.

Rademacher argued back that government is no longer the fringe benefit king, and that many private firms are ahead of the federal retirement system.

The Letter Carriers boss said postal managers had recently paid bonuses to encourage retirements from their headquarters operation. Rademacher said he thought rank-and-file workers throughout government ought to have the same option to retire earlier.

Union leaders hope for favorable action this year on some, or all of the early retirement bills. But their basic strategy is to lay the groundwork for 1972, when they feel Congress will be more in the mood to go against the White House and permit some sort of earlier retirement.

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